



# **AN ANNUAL ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF UMVOTI MUNICIPALITY**

## Abbreviations and Acronyms

AMR	Automated Meter Reading	MSA	Municipal Systems Act	TEF	Medium-term Expenditure Framework
ASGISA	Accelerated and Shared Growth Initiative	MTREF	Medium-term Revenue and Expenditure Framework		
BPC	Budget Planning Committee	NERSA	National Electricity Regulator South Africa		
CBD	Central Business District	NGO	Non-Governmental organisations		
CFO	Chief Financial Officer	NKPIs	National Key Performance Indicators		
CM	City Manager	OHS	Occupational Health and Safety		
CPI	Consumer Price Index	OP	Operational Plan		
CRRF	Capital Replacement Reserve Fund	PBO	Public Benefit Organisations		
DBSA	Development Bank of South Africa	PHC	Provincial Health Care		
DoRA	Division of Revenue Act	PMS	Performance Management System		
DWA	Department of Water Affairs	PPE	Property Plant and Equipment		
EE	Employment Equity	PPP	Public Private Partnership		
EEDSM	Energy Efficiency Demand Side Management	PTIS	Public Transport Infrastructure System		
EM	Executive Mayor	RG	Restructuring Grant		
FBS	Free basic services	RSC	Regional Services Council		
GAMAP	Generally Accepted Municipal Accounting Practice	SALGA	South African Local Government Association		
GDP	Gross domestic product	SAPS	South African Police Service		
GDS	Gauteng Growth and Development Strategy	SDBIP	Service Delivery Budget Implementation Plan		
GFS	Government Financial Statistics	SMME	Small Micro and Medium Enterprises		
GRAP	General Recognised Accounting Practice				
HR	Human Resources				
HSRC	Human Science Research Council				
IDP	Integrated Development Strategy				
IT	Information Technology				
kℓ	kilolitre				
km	kilometre				
KPA	Key Performance Area				
KPI	Key Performance Indicator				
kWh	kilowatt				
ℓ	litre				
LED	Local Economic Development				
MEC	Member of the Executive Committee				
MFMA	Municipal Financial Management Act Programme				
MIG	Municipal Infrastructure Grant				
MMC	Member of Mayoral Committee				
MPRA	Municipal Properties Rates Act				

**ANNUAL FINAL BUDGET OF**

**UMVOTI**

**MUNICIPALITY**

**2015/16 TO 2017/18**

**MEDIUM TERM REVENUE AND**

**EXPENDITURE REVIEW**

**Copies of this document can be viewed:**

- **Finance department**
- **All public libraries within the municipality**
- **At [www.umvoti.gov.za](http://www.umvoti.gov.za)**

## Part 1 – Annual Budget

### 1.1 Mayor's Report

It is my privilege to submit the 2015/16 draft budget, with less than 100 days as appointed as Mayor of Umvoti Municipality.

The budget was compiled under challenging circumstances, as the municipality was without a strategic leader for two consecutive financial years, which resulted in the municipality to be regarded as dysfunctional. Key positions have not been filled for a long time which also added to the challenges and important decisions being delayed.

In all the challenges faced by the municipality we were able to obtain unqualified audit opinion from the Auditor General for the 2013/14 financial year. Management collectively is applauded for the dedication towards maintaining the audit opinion.

The draft budget was tabled to council and is available for comments and further input through a process of community consultation which was scheduled to take place from the beginning of April 2015.

While taking into consideration the constrained fiscal environment, we continue to support government's commitments to extending service delivery and initiatives in expanding investment in infrastructure. The municipality is also committed towards electrifying all citizens of Umvoti area, with a strong emphasis over Emakhabeleni area which has been earmarked with a value of R65 million through the massification programme from Provincial CoGTA over the 5 year plan.

There are certain operational challenges with meter-tempering, council together with community must co-operate in dealing with this challenge. Should all the forces not meet to combat these unlawful practices will lead to cash flow problems with a detrimental effect on service delivery.

As we all are aware **that demands will always exceed available resources**, a continued effort will always be sought to prioritize essential services like electricity and access to clean water.

Umvoti Council is committed towards improving the lives of its citizens by prioritizing the community needs through service delivery initiatives.

Cllr T.C Ngubane  
MAYOR

## **1.2 Council Resolutions**

1. The Council of Umvoti Local Municipality, acting in terms of section 21 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
  - 1.1. The annual budget of the municipality for the financial year 2015/16 and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification;
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote)
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type)
    - 1.1.4. Single-year capital appropriations by municipal vote and standard classification and associated funding by source
  - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
  - 1.3.
    - 1.3.1. Budgeted Table A6 -Financial Position
    - 1.3.2. Budgeted A7- Cash Flows as contained in Table 17
    - 1.3.3. Budget Table A9- Asset Management
2. To give proper effect to the municipality's annual budget, the Council of Umvoti Local Municipality approves:
  - 2.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.

### 1.3 Executive Summary

The application of sound financial management principles for the compilation of Umvoti Municipality financial plan is essential to ensure that the municipality remains financially sound and that municipal services are provided sustainably, economically and equitably to all communities.

The Umvoti Municipality service delivery priorities that were made in 2013 financial year, in ward project clustering for the 3 year plan were reviewed and analysed as part of the municipality's planning and budget process. A critical review was undertaken of expenditure on noncore and "Nice to have" expenditure items as guided by National Treasury MFMA budget circular No. 55.

The municipality has re-gearred the Budget and Treasury office in terms of debt and collection to optimize the collection of debt owed by the consumers effective from 1 July 2015.

National Treasury's MFMA Circular No.74 and MFMA Circular No.75 were used were used to guide the compilation of the draft budget.

The main challenges experienced during the compilation of the 2015/16 draft budget are summarized as follows:

- The declining South African economy which has a direct adverse effect on the consumers affordability of municipal services
- The aging municipal infrastructure assets that require high maintenance and repairs;
- The increasing wage bill and the challenges in filling critical vacancies;
- The on- going struggle of prioritizing municipal projects, infrastructure assets and municipal essential own service delivery equipment/office block.

The following budget principles and guidelines directly informs the compilation of the 2015/16 MTREF draft budget:

- The 2014/15 adjustments budget priorities and targets, as well as the base line allocations contained in the adjustments budget were adopted as upper limits for the new baseline for the 2015/16 annual draft budget
- The service level standards were used to inform the measurable objectives, targets and backlogs eradication goals for the citizens of Umvoti;
- Tariffs and Property rates increases were aligned with the inflation CPI index on the principle that it should be affordable by the consumers of Umvoti;
- There were no budget allocations of National and Provincial Funded projects unless the grants have been gazette as required by the annual Division of Revenue Act.
- An upper limit of R10 million was set for allocation of funds to fund the heavy duty equipment that the municipality is in need of for service delivery.

In view of the aforementioned, the following tables below is a consolidated overview of the operational revenue, operational expenditure, capital expenditure budget and allocated Grants and subsidies of the 2015/16 budget.

**1. Operational Revenue**

<b>Revenue Source</b>	<b>Adjusted Budget</b>	<b>2015/16 Budget</b>	<b>Contribution %</b>
Service Charges-Electricity	56 538 500	62 588 000	31%
Property Rates	28 605 079	30 321 000	15%
Operational Grants and Subsidies	68 778 000	87 099 000	43%
Other Revenue	18 287 290	20 881 000	11%

Internal sources of revenue contributes 57 per cent of total budgeted adjusted revenue, Grants and subsidies contributes 43 per cent on the municipal revenue sources.

**2. Operational Expenditure**

<b>Expenditure Type</b>	<b>Adjusted Budget</b>	<b>2015/16 Budget</b>	<b>Contribution %</b>
Employee Related Cost	60 499 115	83 011 000	39%
Remuneration of Councilors	7 860 122	8 484 000	4%
Bulk Purchases	41 000 000	46 838 000	22.3%
Contracted Services	10 201 388	16 266 000	7.7%
Other Expenditure	77 448 690	57 559 000	27%
<b>Total Budgeted Expenditure</b>	<b>185 649 193</b>	<b>212 158 000</b>	<b>100%</b>

The municipality has increased the operational budget by 6.3 per cent as per the inflation rate and Bulk Purchases have been increased by 14.24 per cent as per NERSA and National Treasury guidelines.

### 3. Capital Expenditure Budget

<b>Consolidated Capital Budget</b>	<b>2015/16</b>
Infrastructure Assets	63 180 000.00
Community Assets	4 080 000.00
Service Delivery Plant and Equipment	6 548 000.00
Office Equipment and Fittings	1 923 000.00
Civic Buildings: Testing Station and Office Block	15 000 000.00
Heavy Duty Equipment Required	15 000 000.00
	<b>105 731 000.00</b>
<b>Sources of Funding</b>	
Capital Grants	69 570 000.00
Bank Loan	30 000 000.00
Internal Funding	6 161 000.00
	<b>105 731 000.00</b>

The Municipality is under plans of building new office blocks, Motor Vehicle Testing Station and buying Heavy duty vehicles in 2015/16 MTREF to the estimated amount of R30 million funded from borrowings.

A competitive bidding processes will be followed to secure a loan with low interest rates below prime.

### 4. Grants and Subsidies Allocated

<b>Municipal Grants</b>				
<b>Operational Transfers</b>	<b>2014/15 Adjusted</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
Equitable Share	62 571 000	85 271 000.00	89 352 000.00	90 391 000.00
Municipal Finance Management Grant (FMG)	1 700 000	1 700 000.00	1 725 000.00	1 800 000.00
Municipal System Improvement Grant (MSIG)	934 000	950 000.00	951 000.00	1 033 000.00
Expended Public Works Programme ( EPWP)	2 132 000	1 954 000.00	-	-
Community Service Library		170 000.00	179 000.00	188 000.00
Provincialisation of libraries	891 000	861 000.00	907 000.00	952 000.00
Museum subsidies	151 000	166 000.00	175 000.00	184 000.00
	<b>68 379 000</b>	<b>91 072 000.00</b>	<b>93 289 000.00</b>	<b>94 548 000.00</b>
<b>Capital Transfers</b>				
Municipal Infrastructure Grant (MIG)	25 497 000	26 570 000.00	27 501 000.00	28 896 000.00
Integrated National Electrification Programme (INEP)	12 000 000	25 000 000.00	25 000 000.00	12 000 000.00
Massification Electricity Programme	5 215 000	8 000 000.00	-	-
Small Town Rehabilitation	10 000 000	10 000 000.00	-	-
	<b>52 712 000</b>	<b>69 570 000.00</b>	<b>52 501 000.00</b>	<b>40 896 000.00</b>
<b>Total Transfers to the Municipality</b>	<b>121 091 000.00</b>	<b>160 642 000.00</b>	<b>145 790 000.00</b>	<b>135 444 000.00</b>

The Municipality's Equitable Share has increase by R18.7 million when compared with 2014/15 allocation.

Additional R8 million was allocated for the 2015/16 Budget Year from Provincial COGTA for the Electrification Massification Grant and the R10 million from Small Town Rehabilitation Grant is envisaged to be roll over into 2015/16 budget year that was received in 2014/15 financial year.



## 5. Tariff Principles

The Municipal Tariffs should be cost reflective, which should embody all costs involved to provide the service and should also strike the balance of consumer affordability and the inflation rate

In funding the operational budget, the following criteria provide a good indication of various levels of which the tariffs for individual services should be set:

- **Trade Services**  
Services such as electricity are classified as trade services, where tariffs should be determined in a way that will ensure that the service is delivered at a surplus.
- **Economic Services**  
A service such as Refuse Removal is classified as economic service. Tariffs should be set at a level to ensure that expenditure is recovered and that there is at least a break even.
- **Subsidized Services**  
These are services not classified as Trade or Economic Services and funded from sundry revenue and revenue obtained from property rates and equitable share.

## 6. Tariff Increases

Having consideration of the difficult economic realities of consumers and also to ensure sustainability, it would be necessary to increase certain tariffs to fund the expenditure provided for in the budget.

**Property Rates Levies:** Envisaged to be increased by CPI Index of 6 % (per cent) as per National Treasury's guidelines

**Electricity Service Charges:** Envisaged to be increased by 12.2% (per cent) as per NERSA recommendation

**Refuse Removal:** Envisaged to be increased by CPI Index of 6% (per cent) as per National Treasury's guidelines

**Miscellaneous Tariffs:** have been adjusted by 10% (per cent) due to the fact that the tariffs are not cost reflective and the municipality is proving a significant amount of subsidy towards the community through the low tariffs.

## 7. Consolidated Overview of the 2015/16 MTREF

Table 7.1

R thousand	Adjustments Budget 2014/15	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Total Operating Revenue	172 208 469	204 842 929.67	216 718 837.71	229 083 669.40
Total Operating Expenditure	185 648 997	212 158 812.00	219 187 195.14	234 842 657.62
(Surplus)/Deficit for the year	-13 450 528	-7 315 882	-2 468 357	-5 758 988
Total Capital Expenditure	75 278 000	105 731 000	67 601 000	50 896 000

Total operating revenue has grown by 16.6 per cent or R28.6 million for the 2015/16 financial year when compared to the 2014/15 Adjustments Budget. For the two outer years, operational

revenue will increase by 3.8 per cent and 5.4 per cent respectively, equating to a total revenue growth of R47.8 million over the MTREF when compared to the 2013/14 financial year.

Total operating expenditure for the 2015/16 financial year has been appropriated at 212.2 million and translates into a budgeted deficit of R7.3 million. When compared to the 2014/15 Adjustments Budget, Operational expenditure has grown by 14 per cent in the 2015/16 budget and by 3.3 and 7.1 per cent respectively for the outer years of the MTREF.

The operating deficit for the ensuing year amounts to R7.3 million and increases in the two outer years to R2.4 million and 5.8 million respectively by 2017/18.

The budget deficit over the MTREF can be attributed to the budgeted on non-cash items that need to be factored on the tariff of charges which are as follows:

	2015/16	2016/17	2017/18
✓ Depreciation	R24.9 million	R25.1 Million	R27.4 Million
✓ Debt Impairment	R2.7 million	R1.5 million	R1 Million

The capital budget of R105.7 million for 2015/16 is 40.5 per cent more when compared to the 2014/15 Adjustment Budget. This increase is attributed to the proposed construction of office block, the upgrade of a testing station and the procurement of heavy duty equipment with anticipated borrowing of R30 million to fund these projects. The proposed loan will be entered into in consultation with the public and as per the requirements of section 46 of the MFMA.

Greytown forms part of the small town rehabilitation and acceptance has been provided by CoGTA, funding has been appropriated in this budget of the value of R10 million. The funds were received in March 2015. The funds are rolled over due to time constraint for the completion of the projects funded by the grant.

## 8. Operating Revenue Framework

For Umvoti Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of the municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 85 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);

- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

**Table 8.1.1 Summary of revenue classified by main revenue source of the 2015/16 MTREF**

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue By Source</b>									
Property rates	13 799	18 623	21 525	22 598	28 605	28 605	30 321	31 777	33 852
Property rates - penalties & collection charges	1 251	1 127	1 358	1 551	1 300	1 300	1 370	1 444	1 529
Service charges - electricity revenue	42 433	48 680	53 381	56 539	56 539	56 539	62 588	70 086	78 483
Service charges - refuse revenue	5 290	5 534	5 977	6 258	6 258	6 258	6 648	6 980	7 329
Service charges - other	563	708	650	798	798	798	1 455	1 584	1 675
Rental of facilities and equipment	2 819	2 881	3 097	3 107	3 091	3 091	3 526	3 557	3 574
Interest earned - external investments	3 261	3 886	3 641	3 000	3 000	3 000	3 100	3 100	3 150
Interest earned - outstanding debtors	154	170	233	180	180	180	191	200	212
Fines	491	846	596	805	405	405	425	446	469
Licences and permits	1 914	1 990	1 767	1 955	1 955	1 955	2 170	2 278	2 392
Agency services	970	1 054	1 106	1 150	1 150	1 150	1 150	1 208	1 268
Transfers recognised - operational	44 951	52 018	62 806	66 465	68 778	68 778	87 099	85 235	85 455
Other revenue	841	288	1 203	141	141	141	847	764	803
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>118 737</b>	<b>138 015</b>	<b>157 370</b>	<b>164 546</b>	<b>172 198</b>	<b>172 208</b>	<b>200 890</b>	<b>208 659</b>	<b>219 991</b>

**Table 8.1.2 percentage of growth in revenue by main revenue sources:**

Description	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
<b>R thousand</b>								
<b>Revenue By Source</b>								
Property rates	28 605	17%	30 321	15%	31 777	15%	33 652	15%
Property rates - penalties & collection charges	1 300	1%	1 370	1%	1 444	1%	1 529	1%
Service charges - electricity revenue	56 539	33%	62 588	31%	70 086	34%	78 483	36%
Service charges - refuse revenue	6 258	4%	6 648	3%	6 980	3%	7 329	3%
Service charges - other	798	0%	1 455	1%	1 584	1%	1 675	1%
Rental of facilities and equipment	3 091	2%	3 526	2%	3 557	2%	3 574	2%
Interest earned - external investments	3 000	2%	3 100	2%	3 100	1%	3 150	1%
Interest earned - outstanding debtors	180	0%	191	0%	200	0%	212	0%
Fines	405	0%	425	0%	446	0%	469	0%
Licences and permits	1 955	1%	2 170	1%	2 278	1%	2 392	1%
Agency services	1 150	1%	1 150	1%	1 208	1%	1 268	1%
Transfers recognised - operational	68 778	40%	87 099	43%	85 235	41%	85 455	39%
Other revenue	141	0%	847	0%	764	0%	803	0%
Gains on disposal of PPE								
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>172 198</b>	<b>100%</b>	<b>200 890</b>	<b>100%</b>	<b>208 659</b>	<b>100%</b>	<b>219 991</b>	<b>100%</b>

Revenue generated from Electricity services charges forms a significant percentage of the revenue basket of Umvoti Municipality. Electricity service charges revenue comprise of 31 percent (R62.5 million) of the total Operating revenue for the 2015/16 budget year, followed by Property rates contributing 15 percent (R30.3 million) towards the total Operating budget and Refuse Removal contributes only 3 percent (R6.6 million). The trading services and Property services combined contribute 49 percent towards the total revenue mix.

The 'Other revenue' constitute only 8 percent towards total Operating Revenue, which consists of various items such as income received from permits and licenses, building plan fees, connection fees, transport fees and advertisement fees. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

The financial performance revenue budgeted indicates an increase of 16.5 per cent of the 2015/16 revenue to be billed and allocated through government grants when compared with the 2014/15 adjusted budget. The significant increase in revenue is due to the increase of the Equitable Share and the 12.2 per cent increase in tariff of charges for Electricity service charges

Operational Grants Transfers amounts to R87 million and contributes 43 percent towards the Operating Revenue budget in 2015/16. The Transfers decrease slightly to R85.2 million in 2016/17 and R84.5 million in 2017/18. The following table gives a breakdown of the various grants and subsidies allocated to the municipality over the medium term.

**Table 8.1.3 Operating Transfers and Grants Receipts**

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	31 240	38 762	44 262	51 798	51 798	51 798	87 905	92 068	93 209
Local Government Equitable Share	30 040	36 522	41 962	49 358	49 358	49 358	85 271	89 352	90 391
Finance Management	1 200	1 450	1 500	1 550	1 550	1 550	1 700	1 750	1 800
Municipal Systems Improvement		790	800	890	890	890	934	967	1 018
Integrated National Electrification Programme									
<b>Provincial Government:</b>	15 273	18 372	2 672	830	830	830	1 260	1 329	1 620
Health subsidy	1 183	1 620							
Sport and Recreation	525		150						
Cogta Grants-Provincial	14 565	16 752	2 522	830	830	830	1 260	1 329	1 620
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	<b>47 513</b>	<b>57 134</b>	<b>46 934</b>	<b>52 628</b>	<b>52 628</b>	<b>52 628</b>	<b>89 165</b>	<b>93 398</b>	<b>94 829</b>

## 8.2 Property Rates

Umvoti Municipality undertook a general valuation and compilation of the new valuation roll as required by Municipal Property Rates Act to be effective from 1 July 2014. The valuation of properties increased by a billion rand.

Due to the significant increase in property values, a decision was taken that Rates randages remain as per the 2013/14 randages in order relieve rate payers on the major burden that will arise as a result of the increase in property values.

In 2015/16 the rates randages were increased by the CPI index, of 6 per cent, as per MFMA circular No.75 recommendation.

Rates exemptions and rebates are consistent with the Municipal Property rates and the Rates Randages complies with the CoGTA recommended ratios.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2015/16 financial year are as follows:

**Table 8.2.1 Comparison of proposed rates to be levied for the 2015/16 financial year**

Category	Proposed tariff cents in the Rand (from 1 July 2014)	Proposed tariff cents in the Rand (from 1 July 2015)
	<b>C</b>	<b>C</b>
<b>Residential properties</b>	<b>1,37</b>	<b>1.45</b>
<b>Sectional Title</b>	<b>1,37</b>	<b>1.45</b>
<b>Business &amp; Commercial</b>	<b>2,03</b>	<b>2.15</b>
<b>Industrial</b>	<b>1,37</b>	<b>1.45</b>
<b>Agricultural</b>	<b>0,34</b>	<b>0.36</b>
<b>Communal</b>	<b>0,34</b>	<b>0.36</b>
<b>Institutional</b>	<b>1,37</b>	<b>1.45</b>
<b>National Monuments</b>	<b>1,37</b>	<b>1.45</b>
<b>Municipal</b>	<b>1,37</b>	<b>1.45</b>
<b>Public Benefit Organizations</b>	<b>0,34</b>	<b>0.36</b>
<b>Public Service Infrastructure</b>	<b>0,34</b>	<b>0.36</b>
<b>Special Purpose</b>	<b>1,37</b>	<b>1.45</b>
<b>State owned</b>	<b>2,03</b>	<b>2.15</b>
<b>Place of Worship</b>	<b>1,37</b>	<b>1.45</b>
<b>Properties leased by the Municipality</b>	<b>1,37</b>	<b>1.45</b>

### 8.3 Sale of Electricity and Impact of Tariff Increases

NERSA has approved a 12.2 per cent guideline tariff increase and 14.24 per cent increase in the cost of bulk purchases for the 2015/16 budget.

Considering the Eskom increases and the magnitude in the consumer tariff increases, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

The following table shows the impact of the proposed increases in electricity tariffs charges

<b>NERSA APPROVED CATEGORIES OF ELECTRICITY TARIFFS OF UMVOTI MUNICIPALITY</b>				
<b>DOMESTIC TARIFFS</b>		2014/15	% increase	2015/16
Domestic Option 1	energy charge per kwh	111.46	12.2	125.0581
Basic Charge	amperage charge per amp per meter	4.35	12.2	4.8807
Domestic option 2 (no basic charge)	energy charge per kwh (no basic charge)	151.59	12.2	170.084
Prepaid Indigent	energy charge per kwh	92.33	12.2	103.5943
Indigent Conventional	energy charge per kwh	80.45	12.2	90.2649
<b>COMMERCIAL TARIFFS</b>				
Commercial	energy charge per kwh	135.7	12.2	152.2554
Basic Charge	amperage charge amp per meter	5.22	12.2	5.85684
<b>Sportfield and Street Lighting</b>				
Energy charge	Energy charge per kwh	146.6	12.2	164.4852
<b>Availability Charge</b>				
Residential use per lot per month	availability charge	90.47	12.2	101.5073
Commercial or Industrial use per month	availability charge	174.9	12.2	196.2378
<b>Industrial Tariffs</b>				
Large power users with installed capacity in excess of 65 kva				
Basic Charge	basic charge per month	1266.28	12.2	1420.766
Energy Charge	energy charge per kwh	77.47	12.2	86.92134
Demand Charge	demand charge per KVA	170.45	12.2	191.2449

#### 8.4 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. As part of the tariff setting principles, refuse removal should be rendered at break even, which is currently not the case.

The below tables indicate the actual and budgeted financial performance of the Waste Management on the 7 year budget horizon.

Standard Classification Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15		2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Waste Management-Revenue	7 718	8 490	5 976	6 257	6 257	6 647	6 979	7 328
Waste Management-Expenditure	-10 447	-9 714	-9 221	-9 881	-9 881	-12 345	-12 456	-13 745
Surplus(Deficit)	-4 220	-2 729	-3 245	-3 624	-3 624	-5 698	-5 477	-6 417

The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration as well as transporting of waste to Pietermaritzburg.

Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models.

Council is requested to task the administration in exploring ways of enhancing the waste management towards operating at breakeven.

Refuse Removal tariffs were increase at 6 per cent which is consistent with the CPIX index of 6. Per cent as outlined in MFMA circular No.75

The following table compares current and proposed amounts payable from 1 July 2014:

Tariff Type	2014/15 current tariffs	2015/16 Proposed Tariffs	Difference	Tariff Increase %
Refuse Domestic	100.3	106.318	6.018	6%
Refuse Commercial	273.3	289.698	16.398	6%
Refuse Other	370.3	392.518	22.218	6%

## 9. Operating Expenditure Framework

The following table is a high level summary of the 2015/16 budget and MTREF (classified per main type of operating expenditure):



Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>	<b>1</b>										
<b>Expenditure By Type</b>											
Employee related costs	2	34 671	40 809	46 069	71 856	60 500	60 500	-	83 011	83 249	86 666
Remuneration of councillors		4 668	6 488	6 868	6 320	7 820	7 820		8 484	8 909	9 354
Debt impairment	3	9	3 532	464	4 325	2 700	2 700		2 700	1 500	1 000
Depreciation & asset impairment	2	16 823	17 680	19 425	21 543	21 973	21 973	-	21 402	22 685	23 627
Finance charges		23	16						1 364	1 239	1 127
Bulk purchases	2	29 004	31 537	32 856	41 000	41 000	41 000	-	46 838	53 162	60 073
Other materials	8								243	260	274
Contracted services		11 938	13 239	10 628	13 383	10 201	10 201	-	16 616	16 038	16 558
Transfers and grants		1 103	1 268	2 322	42 544	911	911	-	2 400	2 529	2 671
Other expenditure	4, 5	28 649	30 993	36 538	25 383	40 544	40 544	-	28 089	29 717	33 493
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>126 889</b>	<b>145 442</b>	<b>155 168</b>	<b>228 333</b>	<b>185 649</b>	<b>185 649</b>	<b>-</b>	<b>212 159</b>	<b>219 187</b>	<b>234 843</b>

The budgeted allocation for employee related costs for the 2015/16 financial year totals R83 million, which equals 37.5 per cent of the total operating expenditure.

Senior Management should not expect salary increases following the CoGTA recommendation that senior management salaries be curbed until an agreement is reached between the department and the parties concerned.

In line with the approval from NERSA, which authorized the approval of electricity Bulk Purchases by 14.24 per cent from Eskom. The bulk purchases contributes 21.1 per cent of the total Operating budget. The municipality is still facing challenges of electricity theft and this will cause a strain on the municipality's cash flow, as the economy is declining. The consumers' affordability will also decline, resulting in the municipality having to subsidise the difference between the Eskom bulk units prices, the allowed tariff increase and electricity theft. .

Finance charges of R1.3 million has been incorporated in the budget with an estimation that the banks will offer at most 10 per cent interest on the borrowings of R30 million.

The provision of debt impairment was determined based on an annual collection rate of 82.9 per cent and the Debt Write-off Policy of the Municipality. For the 2015/16 financial year this amount equates to 2.7 million and decrease to R1.5 million in 2016/17 and further drops to R1 million in 2017/18. The decreases in debt impairment over the MTREF is a result of planned improvements in credit and debt collection processes.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation has been allocated at R21.4 million in 2015/16, which amounts to 4 per cent of the total budgeted Property Plant and Equipment in budget table A6.

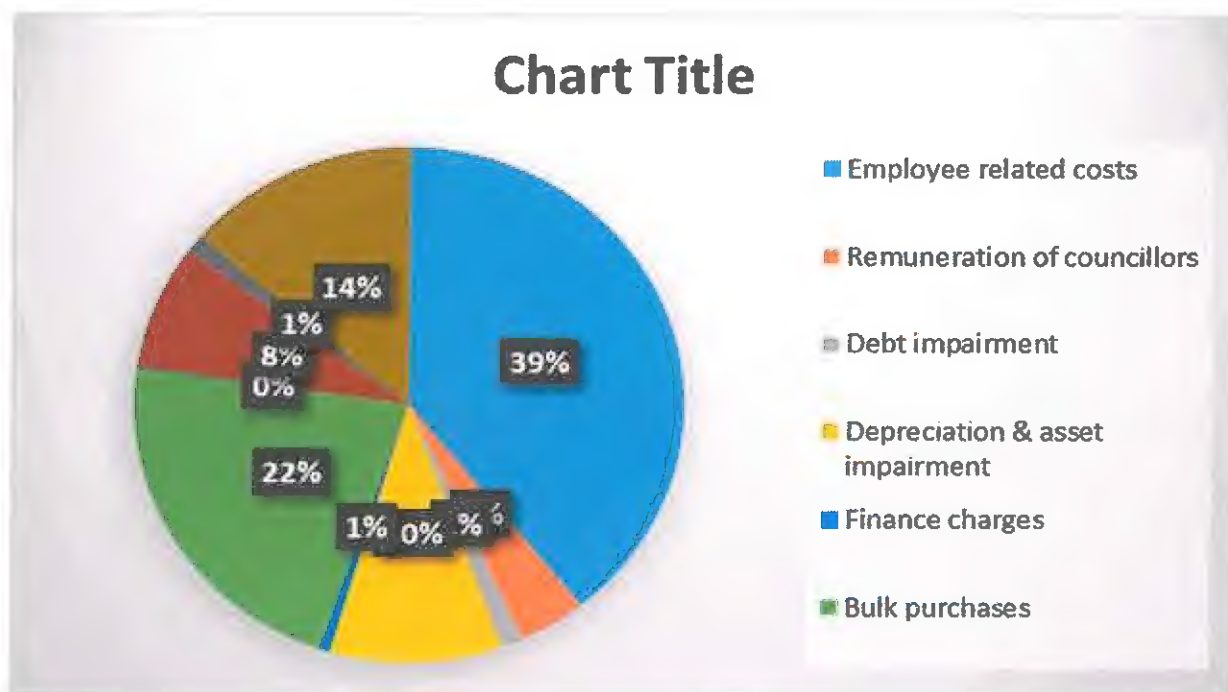
Other materials comprise of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals.

Contracted services in 2015/16 were adjusted according to the existing contracts and framed in line with the conditions of contracts. The contracted services are for projects that the municipality does not have a capacity to carry in house.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. As a result of this, the Other expenditure is budgeted to decrease by 19 per cent in 2015/16 when compared with the 2014/15 adjusted budget.

The following table gives a breakdown of the main expenditure categories for the 2015/16 financial year.

**Figure 1 Main operational expenditure categories for the 2015/16 financial year**



### 9.1 Priority given to repairs and maintenance

Although ample budget provision is made for the repairing and maintaining of the municipal infrastructure assets the department concerned is not spending significantly on this urgent priority. Measures need to be put in place for the monitoring and maintaining of assets as renewing these assets will result in an additional burden to the Municipality.

### 9.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The community of Umvoti is reluctant to register as they feel that this attaches a stigma to them. Educational programs need to be developed to encourage the indigent to register.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

## 10. Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

**Table 10.1 2015/16 Medium-term capital budget per vote**

Vote Description R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital expenditure - Vote</b>											
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - EXECUTIVE & COUNCIL		3 559	8 813	3 473	870	1 070	1 070	-	20 150	10 000	5 000
Vote 2 - BUDGET & TREASURY		-	-	-	2 543	3 500	3 500	-	300	400	200
Vote 3 - ENGINEERING SERVICES		7 354	26 443	26 809	43 523	48 648	48 648	-	63 741	52 501	40 896
Vote 4 - COMMUNITY SERVICES		1 387	4 019	95	12 013	12 014	12 014	-	10 778	4 500	4 500
Vote 5 - CORPORATE SERVICES		-	-	-	47	47	47	-	640	200	300
Vote 6 - PLANNING		-	-	-	-	10 000	10 000	-	10 122	-	-
<b>Capital single-year expenditure sub-total</b>		<b>12 299</b>	<b>39 275</b>	<b>30 377</b>	<b>58 995</b>	<b>75 278</b>	<b>75 278</b>	<b>-</b>	<b>105 731</b>	<b>67 601</b>	<b>50 896</b>
<b>Total Capital Expenditure - Vote</b>		<b>12 299</b>	<b>39 275</b>	<b>30 377</b>	<b>58 995</b>	<b>75 278</b>	<b>75 278</b>	<b>-</b>	<b>105 731</b>	<b>67 601</b>	<b>50 896</b>

For the 2015/16 an amount of R63.1 million has been appropriated for the development of infrastructure which represent 59.8 per cent of the total proposed capital budget.

The municipality is under plans of sourcing funding of constructing new office block, upgrading the testing station and procurement of heavy duty equipment through borrowings. MFMA Section 46 need to be followed in order to secure funding, which include a consultation process with the public for the proposed loan of R30 million. MFMA Circular No.58 will be followed to apply for approval for the construction of office block to National Treasury.

The following are some of the projects that will be undertaken in 2015/16:

- Extension and fencing of cemetery- R3 5 Million
- New Electricity Infrastructure (INEP& Provincial CoGTA)- R 33 Million
- Procurement of Fire Engine and Equipment – R3.6 Million
- Procurement of Disaster Rescue Vehicle and Equipment- R540 000
- Parks and Gardens Equipment- R1.5 million
- Testing Station Upgrade and Office Blocks- R20 million
- Procurement of Heavy Duty Equipment- R10 million
- Ward Clustered Projects (MIG)- R26.5 million

## 11. Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2014/15 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page

## **Part 2 – Annual Budget Tables**

**Table A1 Budget Summary****KZN245 Umvoti - Table A1 Budget Summary**

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	15 050	19 750	22 882	24 149	28 905	28 905	–	31 891	33 221	35 181
Service charges	48 286	54 922	60 008	63 594	63 594	63 594	–	70 891	78 850	87 487
Investment revenue	3 261	3 886	3 641	3 000	3 000	3 000	–	3 100	3 100	3 150
Transfers recognised - operational	44 951	52 018	62 808	66 465	68 778	68 778	–	91 052	93 285	94 548
Other own revenue	7 189	7 440	8 032	7 338	8 922	8 932	–	8 309	8 453	8 718
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>118 737</b>	<b>138 015</b>	<b>157 370</b>	<b>164 546</b>	<b>172 198</b>	<b>172 208</b>	<b>–</b>	<b>204 843</b>	<b>216 719</b>	<b>229 084</b>
Employee costs	34 671	40 809	46 089	71 858	60 500	60 500	–	83 011	83 248	86 666
Remuneration of councillors	4 688	6 488	6 868	6 320	7 820	7 820	–	8 484	8 508	9 354
Depreciation & asset impairment	16 823	17 560	19 425	21 543	21 973	21 973	–	21 402	22 585	23 627
Finance charges	23	18	–	–	–	–	–	1 364	1 239	1 127
Materials and bulk purchases	29 004	31 537	32 856	41 000	41 000	41 000	–	47 082	53 421	60 346
Transfers and grants	1 103	1 288	2 322	42 544	911	911	–	2 400	2 529	2 671
Other expenditure	40 597	47 783	47 629	43 081	53 445	53 445	–	48 416	47 255	51 051
<b>Total Expenditure</b>	<b>126 889</b>	<b>145 442</b>	<b>155 188</b>	<b>226 353</b>	<b>185 649</b>	<b>185 649</b>	<b>–</b>	<b>212 159</b>	<b>219 187</b>	<b>234 843</b>
<b>Surplus/(Deficit)</b>	<b>(8 152)</b>	<b>(7 427)</b>	<b>2 201</b>	<b>(61 808)</b>	<b>(13 451)</b>	<b>(13 441)</b>	<b>–</b>	<b>(7 316)</b>	<b>(2 468)</b>	<b>(5 759)</b>
Transfers recognised - capital	8 804	25 702	21 855	48 386	52 622	52 622	–	69 570	52 501	40 896
Contributions recognised - capital & contributed	–	(6 480)	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>452</b>	<b>11 795</b>	<b>24 057</b>	<b>(13 422)</b>	<b>39 171</b>	<b>39 181</b>	<b>–</b>	<b>62 254</b>	<b>50 033</b>	<b>35 137</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>452</b>	<b>11 795</b>	<b>24 057</b>	<b>(13 422)</b>	<b>39 171</b>	<b>39 181</b>	<b>–</b>	<b>62 254</b>	<b>50 033</b>	<b>35 137</b>
<b>Capital expenditure &amp; funds sources</b>										
Capital expenditure	12 299	39 274	30 377	58 995	75 278	75 278	–	105 731	67 601	50 896
Transfers recognised - capital	7 400	26 458	–	37 497	52 622	52 622	–	69 570	52 501	40 896
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	30 000	–	–
Internally generated funds	4 899	12 816	–	21 498	22 656	22 656	–	6 161	15 100	10 000
<b>Total sources of capital funds</b>	<b>12 299</b>	<b>39 274</b>	<b>–</b>	<b>58 995</b>	<b>75 278</b>	<b>75 278</b>	<b>–</b>	<b>105 731</b>	<b>67 601</b>	<b>50 896</b>
<b>Financial position</b>										
Total current assets	86 097	78 930	86 221	79 925	79 926	79 926	–	56 818	56 814	56 897
Total non current assets	384 746	408 480	416 989	416 989	416 989	416 989	–	519 543	538 543	544 543
Total current liabilities	34 740	31 132	28 801	28 801	28 801	28 801	–	25 150	27 120	24 630
Total non current liabilities	8 023	14 382	15 399	15 399	15 399	15 399	–	49 715	44 715	39 715
Community wealth/Equity	428 081	439 603	459 661	459 661	459 661	459 661	–	501 297	524 323	537 086
<b>Cash flows</b>										
Net cash from (used) operating	28 205	23 197	41 190	(613)	51 604	51 604	–	71 124	60 137	46 124
Net cash from (used) investing	(12 265)	(39 064)	(29 982)	(47 624)	(63 989)	(63 989)	–	(84 585)	(54 081)	(40 717)
Net cash from (used) financing	14	69	134	166	186	186	–	12 200	12 200	(2 500)
<b>Cash/cash equivalents at the year end</b>	<b>64 314</b>	<b>48 518</b>	<b>59 860</b>	<b>11 789</b>	<b>47 641</b>	<b>47 641</b>	<b>–</b>	<b>46 739</b>	<b>64 996</b>	<b>67 903</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	64 315	48 518	60 188	53 893	53 893	53 893	–	30 903	33 198	34 732
Application of cash and investments	8 321	4 097	877	6 412	7 453	7 453	–	165	3 400	1 239
<b>Balance - surplus (shortfall)</b>	<b>55 994</b>	<b>44 421</b>	<b>59 310</b>	<b>47 480</b>	<b>46 439</b>	<b>46 439</b>	<b>–</b>	<b>30 738</b>	<b>29 798</b>	<b>33 493</b>
<b>Asset management</b>										
Asset register summary (WDV)	384 746	385 578	396 164	416 967	416 967	289 507	519 543	519 543	538 543	544 543
Depreciation & asset impairment	16 823	17 560	19 425	21 543	21 973	21 973	21 402	21 402	22 585	23 627
Renewal of Existing Assets	4 772	27 272	28 904	3 770	19 957	–	–	–	–	–
Repairs and Maintenance	5 016	6 619	6 231	9 253	9 253	–	12 877	12 877	13 490	14 264
<b>Free services</b>										
Cost of Free Basic Services provided	1	1	1	1	1	1	1	1	1	–
Revenue cost of free services provided	953	1 098	1 260	1 298	–	–	1 311	1 311	1 324	–
<b>Households below minimum service level</b>										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	11	11	10	10	10	10	9	9	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

- The Above Table depicts a picture of the consolidated effect of the budget in the municipality's financial performance, financial position, and the management of cash flows and the Asset Management.

- The financial performance revenue budgeted indicates an increase of 16.5 per cent of the 2015/16 revenue to be billed and allocated through government grants when compared with the 2014/15 adjusted budget. The significant increase in revenue is due to the increase of the Equitable Share and the 12.2 per cent increase in tariff of charges for Electricity service charges.
- Financial Performance Expenditure budget indicates a 19 per cent increase in operating expenditure in 2015/16 when compared with the 2014/15 adjusted budget. The increase in expenses is significantly contributed by the increase in employee related cost, depreciation (non- cash item) and the bulk purchases.
- Funding sources of the capital budget of the municipality are mainly from National and Provincial Grants of 69.6 million (66 per cent), the envisaged borrowings of R30 million (28 per cent) and internally generated funds of R6.2 million (6 per cent).
- The financial Position effect of the budget is that the municipal assets is envisaged to increase to R553.9 million and an increase of R49 million in non- current liabilities as a result of the planned borrowings for the office block, Testing station and heavy duty equipment.
- The municipality also plans to venture into Finance lease for motor vehicle due to shortages in the municipality which affect service delivery. The effect of the finance lease has been incorporated in the budget for R5 million over a three year term.
- The Cash flow of the municipality is estimated to decrease as a result of the high demand for funds on expenditure for the repayment of the loan, the capital expenditure and the servicing of the loan on interest rate. The municipality requires a stringent approach in ensuring that consumers are paying for services in order to be able to improve on the cash flow position. The collection rate budgeted for is 85 per cent.

**Table A2 Budget Financial Performance Revenue and Expenditure by Standard Classification**

KZN245 Umvoti - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue - Standard</b>	<b>1</b>									
<i>Governance and administration</i>		58 214	109 573	202 574	123 262	123 625	123 625	123 170	128 843	132 067
Executive and council		16 476	-	63 609	88 070	88 070	88 070	85 273	89 354	90 393
Budget and treasury office		41 440	109 573	138 965	35 052	35 415	35 415	37 748	39 337	41 517
Corporate services		298	-	-	140	140	140	149	153	156
<i>Community and public safety</i>		3 146	-	-	1 501	1 760	1 760	5 429	5 687	5 987
Community and social services		623	-	-	1 196	1 455	1 455	1 095	1 086	1 140
Sport and recreation		41	-	-	-	-	-	-	-	-
Public safety		862	-	-	232	232	232	4 257	4 522	4 748
Housing		-	-	-	73	73	73	78	80	80
Health		1 620	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		11 584	-	-	10 792	20 392	20 392	42 088	30 933	32 295
Planning and development		86	-	-	4 359	14 369	14 369	12 969	2 983	2 983
Road transport		11 498	-	-	6 433	6 033	6 033	26 756	27 696	29 041
Environmental protection		-	-	-	-	-	-	2 363	253	270
<i>Trading services</i>		52 284	54 214	60 007	75 775	80 900	80 900	103 286	103 281	99 041
Electricity		46 984	46 680	54 032	69 503	74 628	74 628	96 638	96 221	91 712
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		5 300	5 534	5 975	6 272	6 272	6 272	5 648	6 980	7 329
<i>Other</i>	<b>4</b>	2 089	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>2</b>	<b>127 317</b>	<b>163 787</b>	<b>262 581</b>	<b>211 330</b>	<b>226 877</b>	<b>226 877</b>	<b>273 972</b>	<b>268 864</b>	<b>269 369</b>
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		42 493	151 922	168 913	48 961	51 842	51 842	62 130	64 602	66 293
Executive and council		21 434	-	-	20 472	24 040	24 040	27 371	26 721	29 378
Budget and treasury office		7 883	151 922	168 913	11 443	12 406	12 406	12 976	13 683	14 480
Corporate services		13 176	-	-	17 046	15 496	15 496	21 782	24 198	25 425
<i>Community and public safety</i>		19 521	-	-	40 577	39 840	39 840	47 174	49 735	51 840
Community and social services		2 710	-	-	-	-	-	-	-	-
Sport and recreation		4 136	-	-	40 577	39 840	39 840	47 174	49 735	51 840
Public safety		8 766	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		3 909	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		14 912	-	-	114 189	93 867	93 867	102 855	104 850	113 709
Planning and development		658	-	-	5 645	5 523	5 523	6 619	6 880	7 442
Road transport		14 254	-	-	108 554	88 344	88 344	96 235	97 970	106 267
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		49 388	-	-	-	-	-	-	-	-
Electricity		41 640	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		7 746	-	-	-	-	-	-	-	-
<i>Other</i>	<b>4</b>	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>126 312</b>	<b>151 922</b>	<b>168 913</b>	<b>203 737</b>	<b>185 649</b>	<b>185 649</b>	<b>212 159</b>	<b>219 187</b>	<b>234 843</b>
<b>Surplus/(Deficit) for the year</b>		<b>1 005</b>	<b>11 865</b>	<b>93 668</b>	<b>7 593</b>	<b>41 029</b>	<b>41 029</b>	<b>61 813</b>	<b>49 477</b>	<b>34 527</b>

- The above table shows Revenue and Expenditure by standard Classification

**Table A3 Budget Financial Performance Revenue and Expenditure by Municipal Vote**

KZN245 Umvoti - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - EXECUTIVE & COUNCIL		75 892	68 993	49 359	62 573	62 573	62 573	85 273	89 354	90 393
Vote 2 - BUDGET & TREASURY		7 405	7 258	6 934	35 052	35 415	35 415	37 748	39 337	41 517
Vote 3 - ENGINEERING SERVICES		87 346	79 705	70 011	97 397	102 522	102 522	125 348	123 917	120 753
Vote 4 - COMMUNITY SERVICES		14 319	13 019	10 466	11 904	11 674	11 674	12 485	12 920	13 586
Vote 5 - CORPORATE SERVICES		245	229	130	140	140	140	149	153	156
Vote 6 - PLANNING		2 807	2 624	2 291	3 323	13 323	13 323	12 969	2 983	2 983
Vote 7 - OTHER		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	188 014	171 828	139 191	210 388	225 646	225 646	273 972	268 664	269 389
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - EXECUTIVE & COUNCIL		22 032	20 069	14 800	20 472	24 082	24 082	27 371	26 721	29 378
Vote 2 - BUDGET & TREASURY		14 807	14 021	9 554	11 443	12 366	12 366	12 976	13 683	14 490
Vote 3 - ENGINEERING SERVICES		35 138	50 954	45 677	108 554	88 344	88 344	96 235	97 970	106 267
Vote 4 - COMMUNITY SERVICES		29 105	21 203	16 773	40 974	39 839	40 339	47 174	49 735	51 840
Vote 5 - CORPORATE SERVICES		30 716	30 273	20 565	17 046	15 495	15 495	21 782	24 198	25 425
Vote 6 - PLANNING		5 863	5 599	3 816	3 502	2 913	5 523	5 619	5 880	7 442
Vote 7 - OTHER		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	137 661	142 119	111 185	201 991	183 040	186 149	212 159	219 187	234 843
<b>Surplus/(Deficit) for the year</b>	2	50 353	29 709	28 006	8 397	42 606	39 496	61 813	49 477	34 527

- The above table shows Revenue and Expenditure by Municipal vote.



**Table A4 Budget Financial Performance by Revenue and Expenditure Sources**

KZN245 Umvoti - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<b>Revenue By Source</b>									
Property rates	13 799	18 623	21 525	22 598	28 605	28 605	30 321	31 777	33 652
Property rates - penalties & collection charges	1 251	1 127	1 358	1 551	1 300	1 300	1 370	1 444	1 529
Service charges - electricity revenue	42 433	48 680	53 381	56 539	56 539	56 539	62 588	70 086	78 483
Service charges - refuse revenue	5 290	5 534	5 977	6 258	6 258	6 258	6 648	6 980	7 329
Service charges - other	563	708	650	798	798	798	1 455	1 584	1 675
Rental of facilities and equipment	2 819	2 881	3 087	3 107	3 091	3 091	3 526	3 557	3 574
Interest earned - external investments	3 261	3 886	3 641	3 000	3 000	3 000	3 100	3 100	3 150
Interest earned - outstanding debtors	154	170	233	180	180	180	191	200	212
Dividends received									
Fines	491	846	596	805	405	405	425	446	468
Licences and permits	1 914	1 990	1 787	1 955	1 955	1 955	2 170	2 278	2 392
Agency services	970	1 054	1 106	1 150	1 150	1 150	1 150	1 208	1 268
Transfers recognised - operational	44 951	52 018	62 806	66 485	68 778	68 778	91 052	93 295	94 548
Other revenue	841	288	1 203	141	141	141	847	764	803
Gains on disposal of PPE		210	31			10			
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>118 737</b>	<b>138 015</b>	<b>157 370</b>	<b>164 548</b>	<b>172 198</b>	<b>172 208</b>	<b>204 843</b>	<b>216 719</b>	<b>229 084</b>
<b>Expenditure By Type</b>									
Employee related costs	34 671	40 809	46 069	71 856	60 500	60 500	83 011	83 249	86 666
Remuneration of councillors	4 668	6 488	6 868	6 320	7 820	7 820	8 484	8 909	9 354
Debt impairment	9	3 532	464	4 325	2 700	2 700	2 700	1 500	1 000
Depreciation & asset impairment	16 823	17 560	19 425	21 543	21 973	21 973	21 402	22 585	23 627
Finance charges	23	16					1 364	1 239	1 127
Bulk purchases	29 004	31 537	32 856	41 000	41 000	41 000	46 838	53 162	60 073
Other materials							243	260	274
Contracted services	11 938	13 239	10 628	13 383	10 201	10 201	16 616	16 038	16 558
Transfers and grants	1 103	1 268	2 322	42 544	911	911	2 400	2 528	2 671
Other expenditure	28 649	30 993	36 538	25 383	40 544	40 544	29 099	29 717	33 493
Loss on disposal of PPE									
<b>Total Expenditure</b>	<b>126 889</b>	<b>145 442</b>	<b>155 168</b>	<b>226 353</b>	<b>185 649</b>	<b>185 649</b>	<b>212 158</b>	<b>219 187</b>	<b>234 843</b>
<b>Surplus/(Deficit)</b>	<b>(8 152)</b>	<b>(7 427)</b>	<b>2 201</b>	<b>(61 808)</b>	<b>(13 451)</b>	<b>(13 441)</b>	<b>(7 316)</b>	<b>(2 468)</b>	<b>(5 759)</b>
Transfers recognised - capital	8 604	25 702	21 855	48 386	52 622	52 622	69 570	52 501	40 896
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets		(6 480)							
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>452</b>	<b>11 795</b>	<b>24 057</b>	<b>(13 422)</b>	<b>39 171</b>	<b>39 181</b>	<b>62 254</b>	<b>50 033</b>	<b>35 137</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>452</b>	<b>11 795</b>	<b>24 057</b>	<b>(13 422)</b>	<b>39 171</b>	<b>39 181</b>	<b>62 254</b>	<b>50 033</b>	<b>35 137</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>452</b>	<b>11 795</b>	<b>24 057</b>	<b>(13 422)</b>	<b>39 171</b>	<b>39 181</b>	<b>62 254</b>	<b>50 033</b>	<b>35 137</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/(Deficit) for the year</b>	<b>452</b>	<b>11 795</b>	<b>24 057</b>	<b>(13 422)</b>	<b>39 171</b>	<b>39 181</b>	<b>62 254</b>	<b>50 033</b>	<b>35 137</b>

- The above tables indicates that the municipality's budgeted Operating expenditure is above the budgeted Operating Revenue over the 2015/16 MTREF which translates to budget deficit. The deficit is attributed by non -cash items which were not factored in the municipal tariffs.

**Table A5 Budget Capital Expenditure Budget by Vote**

KZN245 Umvoti - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital expenditure - Vote</b>											
<i>Single-year expenditure to be appropriated</i>	2										
Vote 1 - EXECUTIVE & COUNCIL		3 569	8 813	3 473	870	1 070	1 070	-	20 150	10 000	5 000
Vote 2 - BUDGET & TREASURY		-	-	-	2 543	3 500	3 500	-	300	400	200
Vote 3 - ENGINEERING SERVICES		7 354	28 443	26 809	43 523	48 648	48 648	-	63 741	52 501	40 896
Vote 4 - COMMUNITY SERVICES		1 387	4 019	95	12 013	12 014	12 014	-	10 778	4 500	4 500
Vote 5 - CORPORATE SERVICES		-	-	-	47	47	47	-	640	200	300
Vote 6 - PLANNING		-	-	-	-	10 000	10 000	-	10 122	-	-
<b>Capital single-year expenditure sub-total</b>		<b>12 299</b>	<b>39 275</b>	<b>30 377</b>	<b>58 995</b>	<b>75 278</b>	<b>75 278</b>	<b>-</b>	<b>105 731</b>	<b>67 601</b>	<b>50 896</b>
<b>Total Capital Expenditure - Vote</b>		<b>12 299</b>	<b>39 275</b>	<b>30 377</b>	<b>58 995</b>	<b>75 278</b>	<b>75 278</b>	<b>-</b>	<b>105 731</b>	<b>67 601</b>	<b>50 896</b>
<b>Capital Expenditure - Standard</b>											
<i>Governance and administration</i>		<b>1 078</b>	<b>4 020</b>	<b>3 473</b>	<b>3 480</b>	<b>4 817</b>	<b>4 817</b>	<b>-</b>	<b>21 090</b>	<b>10 800</b>	<b>5 500</b>
Executive and council		961	1 635	3 473	870	1 070	1 070	-	20 150	10 000	5 000
Budget and treasury office		-	-	-	2 543	3 500	3 500	-	300	400	200
Corporate services		117	2 384	-	47	47	47	-	640	200	300
<i>Community and public safety</i>		<b>3 196</b>	<b>8 513</b>	<b>95</b>	<b>6 331</b>	<b>6 332</b>	<b>6 332</b>	<b>-</b>	<b>10 778</b>	<b>4 500</b>	<b>4 500</b>
Community and social services		1 573	5 857	95	5 481	5 482	5 482	-	10 778	4 500	4 500
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		1 623	656	-	850	850	850	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		<b>6 243</b>	<b>27 589</b>	<b>26 809</b>	<b>28 698</b>	<b>38 698</b>	<b>38 698</b>	<b>-</b>	<b>47 253</b>	<b>27 501</b>	<b>28 896</b>
Planning and development		30	1 994	-	-	10 000	10 000	-	10 122	-	-
Road transport		6 213	25 595	26 809	28 698	26 698	26 698	-	37 131	27 501	28 896
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		<b>1 782</b>	<b>1 152</b>	<b>-</b>	<b>20 185</b>	<b>25 280</b>	<b>25 280</b>	<b>-</b>	<b>26 610</b>	<b>25 000</b>	<b>12 000</b>
Electricity		1 188	863	-	14 705	19 830	19 830	-	26 610	25 000	12 000
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		595	289	-	5 480	5 460	5 460	-	-	-	-
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>341</b>	<b>341</b>	<b>341</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Standard</b>	3	<b>12 299</b>	<b>39 274</b>	<b>30 377</b>	<b>58 995</b>	<b>75 278</b>	<b>75 278</b>	<b>-</b>	<b>105 731</b>	<b>67 601</b>	<b>50 896</b>
<b>Funded by:</b>											
National Government		7 400	26 459	-	37 497	37 497	37 497	-	51 570	52 501	40 896
Provincial Government		-	-	-	-	15 125	15 125	-	18 000	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	<b>7 400</b>	<b>26 459</b>	<b>-</b>	<b>37 497</b>	<b>52 622</b>	<b>52 622</b>	<b>-</b>	<b>69 570</b>	<b>52 501</b>	<b>40 896</b>
<b>Public contributions &amp; donations</b>	5	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Borrowing</b>	6	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30 000</b>	<b>15 100</b>	<b>10 000</b>
<b>Internally generated funds</b>		<b>4 899</b>	<b>12 816</b>	<b>-</b>	<b>21 498</b>	<b>22 656</b>	<b>22 656</b>	<b>-</b>	<b>6 161</b>	<b>15 100</b>	<b>10 000</b>
<b>Total Capital Funding</b>	7	<b>12 299</b>	<b>39 274</b>	<b>-</b>	<b>58 995</b>	<b>75 278</b>	<b>75 278</b>	<b>-</b>	<b>105 731</b>	<b>67 601</b>	<b>50 896</b>

- The above table reflect total capital expenditure budget per municipal function.
- Municipal capital budget has a gross amount of R105.7 million and is funded through National and Provincial Subsidies and Internally generated funds.
- Grants and Subsidies contribute 66 per cent, Borrowings contribute 28 per cent and internal funds contribute 6 per cent towards the total Capital Expenditure.
- The break -down of project is reflected on the budget per department as Annexure A.

**Table A6 Budget Financial Position****KZN245 Umvoti - Table A6 Budgeted Financial Position**

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>ASSETS</b>										
<b>Current assets</b>										
Cash	4 295	1 027	6 295					5 000	6 000	5 000
Call investment deposits	60 020	47 491	53 893	53 893	53 893	53 893	-	25 903	27 198	29 732
Consumer debtors	18 590	18 619	21 880	21 880	21 880	21 880	-	22 416	20 216	19 066
Other debtors	1 807	10 329	1 854	1 854	1 854	1 854		1 500	1 400	1 300
Current portion of long-term receivables	31	1			-	-				
Inventory	1 354	1 462	2 299	2 299	2 299	2 299		1 800	1 800	1 800
<b>Total current assets</b>	<b>86 097</b>	<b>78 930</b>	<b>86 221</b>	<b>79 926</b>	<b>79 926</b>	<b>79 926</b>	<b>-</b>	<b>56 618</b>	<b>58 614</b>	<b>58 897</b>
<b>Non current assets</b>										
Long-term receivables										
Investments										
Investment property	20 884	20 884	20 884	20 884	20 884	20 884		30 884	40 884	50 884
Investment in Associate										
Property, plant and equipment	363 713	385 428	395 937	395 937	395 937	395 937	-	485 159	495 159	490 159
Agricultural										
Biological										
Intangible	149	148	147	147	147	147		3 500	3 500	3 500
Other non-current assets										
<b>Total non current assets</b>	<b>384 748</b>	<b>406 460</b>	<b>416 969</b>	<b>416 969</b>	<b>416 969</b>	<b>416 969</b>	<b>-</b>	<b>519 543</b>	<b>539 543</b>	<b>544 543</b>
<b>TOTAL ASSETS</b>	<b>470 843</b>	<b>485 390</b>	<b>503 189</b>	<b>496 894</b>	<b>496 894</b>	<b>496 894</b>	<b>-</b>	<b>576 161</b>	<b>598 157</b>	<b>601 440</b>
<b>LIABILITIES</b>										
<b>Current liabilities</b>										
Bank overdraft										
Borrowing	-	-	-	-	-	-	-	3 000	3 000	3 000
Consumer deposits	1 988	2 139	2 274	2 274	2 274	2 274		2 000	2 000	2 500
Trade and other payables	32 412	28 532	26 164	26 164	26 164	26 164	-	20 150	22 120	19 130
Provisions	339	461	364	364	364	364				
<b>Total current liabilities</b>	<b>34 740</b>	<b>31 132</b>	<b>28 801</b>	<b>28 801</b>	<b>28 801</b>	<b>28 801</b>	<b>-</b>	<b>25 150</b>	<b>27 120</b>	<b>24 630</b>
<b>Non current liabilities</b>										
Borrowing	-	-	-	-	-	-	-	35 000	30 000	25 000
Provisions	8 023	14 382	15 399	15 399	15 399	15 399	-	14 715	14 715	14 715
<b>Total non current liabilities</b>	<b>8 023</b>	<b>14 382</b>	<b>15 399</b>	<b>15 399</b>	<b>15 399</b>	<b>15 399</b>	<b>-</b>	<b>49 715</b>	<b>44 715</b>	<b>39 715</b>
<b>TOTAL LIABILITIES</b>	<b>42 762</b>	<b>45 513</b>	<b>44 200</b>	<b>44 200</b>	<b>44 200</b>	<b>44 200</b>	<b>-</b>	<b>74 865</b>	<b>71 835</b>	<b>64 345</b>
<b>NET ASSETS</b>	<b>428 081</b>	<b>439 876</b>	<b>458 989</b>	<b>452 694</b>	<b>452 694</b>	<b>452 694</b>	<b>-</b>	<b>501 297</b>	<b>524 323</b>	<b>537 096</b>
<b>COMMUNITY WEALTH/EQUITY</b>										
Accumulated Surplus/(Deficit)	118 151	139 697	171 530	171 530	171 530	171 530		489 037	511 973	524 336
Reserves	311 930	299 906	288 130	288 130	288 130	288 130	-	12 260	12 350	12 780
Minorities' interests										
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>428 081</b>	<b>439 603</b>	<b>459 661</b>	<b>459 661</b>	<b>459 661</b>	<b>459 661</b>	<b>-</b>	<b>501 297</b>	<b>524 323</b>	<b>537 096</b>

- Table above reflect Financial Position of the municipality after taking into effect the adjustments budget.

Table A7 Adjustments Budget Cash Flows

KZN245 Umvoti - Table A7 Budgeted Cash Flows

KZN245 Unvul - Table A: Budgeted Cash Flows												
Description		Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
<b>Receipts</b>												
Property rates, penalties & collection charges			11 039	12 105	20 980					25 490	28 454	31 816
Service charges			51 322	50 083	63 519					59 973	67 080	74 815
Other revenue			18 456	6 944	11 660	78 428	78 428	78 428		6 340	7 491	8 149
Government - operating		1	44 951	52 018	62 806	86 465	68 778	68 778		87 099	85 235	85 455
Government - capital		1	8 604	25 702	21 855	48 386	52 622	52 622		69 570	52 501	40 898
Interest			3 281	3 886	3 641	3 000	3 000	3 000		3 291	3 300	3 362
Dividends										-	-	-
<b>Payments</b>												
Suppliers and employees			(108 302)	(126 255)	(140 959)	(154 349)	(150 315)	(150 315)		(149 862)	(160 008)	(172 115)
Finance charges			(23)	(18)						(3 000)	(3 000)	(3 000)
Transfers and Grants		1	(1 103)	(1 268)	(2 322)	(42 544)	(911)	(911)		(28 413)	(21 688)	(23 928)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>			<b>28 205</b>	<b>23 197</b>	<b>41 180</b>	<b>(613)</b>	<b>51 604</b>	<b>51 604</b>	<b>-</b>	<b>70 488</b>	<b>59 376</b>	<b>45 280</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Receipts</b>												
Proceeds on disposal of PPE				210	395					-	-	-
Decrease (increase) in non-current debtors										-	-	-
Decrease (increase) other non-current receivables			34	0						-	-	-
Decrease (increase) in non-current investments										-	-	-
<b>Payments</b>												
Capital assets			(12 299)	(39 274)	(30 377)	(47 624)	(63 989)	(63 989)		(84 585)	(54 081)	(40 717)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>			<b>(12 265)</b>	<b>(39 064)</b>	<b>(29 982)</b>	<b>(47 624)</b>	<b>(63 989)</b>	<b>(63 989)</b>	<b>-</b>	<b>(84 585)</b>	<b>(54 081)</b>	<b>(40 717)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<b>Receipts</b>												
Short term loans										-	-	-
Borrowing long term/refinancing										-	-	-
Increase (decrease) in consumer deposits			139	151	134	166	166	166		200	200	500
<b>Payments</b>												
Repayment of borrowing			(125)	(82)						(3 000)	(3 000)	(3 000)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>			<b>14</b>	<b>69</b>	<b>134</b>	<b>166</b>	<b>166</b>	<b>166</b>	<b>-</b>	<b>(2 800)</b>	<b>(2 800)</b>	<b>(2 500)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>			<b>15 954</b>	<b>(15 798)</b>	<b>11 342</b>	<b>(48 071)</b>	<b>(12 220)</b>	<b>(12 220)</b>	<b>-</b>	<b>(16 897)</b>	<b>2 496</b>	<b>2 033</b>
Cash/cash equivalents at the year begin:		2	48 360	64 315	48 518	59 860	59 860	59 860		48 000	31 103	33 598
Cash/cash equivalents at the year end:		2	64 314	48 518	59 860	11 789	47 641	47 641	-	31 103	33 598	35 633

- The table above indicates the Cash Flow activities of the municipality after taking into effect the adjusted budget.
- The table reflects a decrease in cash held by the municipality by R16.8 million in 2015/16 budget year and a slight increase in cash held by R2.5 million and R2 million in 2016/17 and 2017/18 respectively.
- Borrowings are also reflected at R30 million and the repayments of R3 million over the 10 year period.

Table A9 Asset Management

KZN245 Umvoti - Table A9 Asset Management

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	7 528	12 003	3 473	49 146	55 321	-	103 665	52 501	40 836
Infrastructure - Road transport	2 851	-	-	30 752	30 752	-	36 570	27 501	28 836
Infrastructure - Electricity	1 076	-	-	14 705	19 830	-	33 000	25 000	12 000
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	3 927	-	-	45 457	50 582	-	69 570	52 501	40 836
Community	93	3 766	-	3 639	3 639	-	4 080	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	3 508	8 238	3 473	50	1 100	-	30 015	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	4 772	27 272	26 904	3 770	19 957	-	-	-	-
Infrastructure - Road transport	3 427	25 646	24 850	-	10 000	-	-	-	-
Infrastructure - Electricity	-	797	1 960	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	3 427	26 443	26 809	-	10 000	-	-	-	-
Community	1 345	253	95	250	250	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	576	-	3 520	9 707	-	-	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>									
Infrastructure - Road transport	6 278	25 646	24 850	30 752	40 752	-	36 570	27 501	28 836
Infrastructure - Electricity	1 076	797	1 960	14 705	19 830	-	33 000	25 000	12 000
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	7 354	26 443	26 809	45 457	60 582	-	69 570	52 501	40 836
Community	1 438	4 019	95	3 889	3 889	-	4 080	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	3 508	8 813	3 473	3 570	10 807	-	30 015	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset</b>	<b>12 299</b>	<b>39 275</b>	<b>30 377</b>	<b>52 916</b>	<b>75 278</b>	<b>-</b>	<b>103 665</b>	<b>52 501</b>	<b>40 836</b>

<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>									
Infrastructure - Road transport	164 527	179 812	190 159	190 159	190 159	190 159	200 159	205 159	210 159
Infrastructure - Electricity	56 733	55 514	58 317	58 317	58 317	58 317	60 000	65 000	65 000
Infrastructure - Water									
Infrastructure - Sanitation									
Infrastructure - Other	104 601	87 114	85 029				65 000	60 000	40 000
Infrastructure	325 861	322 440	333 505	248 476	248 476	248 476	325 159	330 159	315 159
Community	29 811	32 214	30 435	30 435	30 435		40 000	45 000	45 000
Heritage assets	314	314	314	314	314				
Investment properties	20 884	20 884	20 884	20 884	20 884	20 884	30 884	40 884	50 884
Other assets	7 728	9 576	10 879	116 711	116 711		120 000	120 000	130 000
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	149	148	147	147	147	147	3 500	3 500	3 500
<b>TOTAL ASSET REGISTER SUMMARY - PPE</b>	<b>384 746</b>	<b>385 576</b>	<b>396 164</b>	<b>416 967</b>	<b>416 967</b>	<b>289 507</b>	<b>519 543</b>	<b>539 543</b>	<b>544 543</b>
<b>EXPENDITURE OTHER ITEMS</b>									
<u>Depreciation &amp; asset impairment</u>	16 823	17 560	19 425	21 543	21 973	21 973	24 854	26 165	27 416
<u>Repairs and Maintenance by Asset Class</u>	5 016	6 619	6 231	9 253	9 253	-	12 877	13 490	14 264
Infrastructure - Road transport	5 016	6 619	6 231	7 830	7 830	-	12 877	13 490	14 264
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
Infrastructure	5 016	6 619	6 231	7 830	7 830	-	12 877	13 490	14 264
Community	-	-	-	1 037	1 037	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	386	386	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>21 839</b>	<b>24 179</b>	<b>25 656</b>	<b>30 796</b>	<b>31 226</b>	<b>21 973</b>	<b>37 732</b>	<b>39 655</b>	<b>41 680</b>
<b>Renewal of Existing Assets as % of total PPE</b>	<b>38.8%</b>	<b>69.4%</b>	<b>88.6%</b>	<b>7.1%</b>	<b>26.5%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Renewal of Existing Assets as % of depreciation</b>	<b>28.4%</b>	<b>155.3%</b>	<b>138.5%</b>	<b>17.5%</b>	<b>90.8%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>R&amp;M as a % of PPE</b>	<b>1.4%</b>	<b>1.7%</b>	<b>1.6%</b>	<b>2.3%</b>	<b>2.3%</b>	<b>0.0%</b>	<b>2.5%</b>	<b>2.5%</b>	<b>2.6%</b>
<b>Renewal and R&amp;M as a % of PPE</b>	<b>3.0%</b>	<b>9.0%</b>	<b>8.0%</b>	<b>3.0%</b>	<b>7.0%</b>	<b>0.0%</b>	<b>2.0%</b>	<b>3.0%</b>	<b>3.0%</b>

- The table above indicates the asset structure of the municipality, with the effect of the adjustments budget.
- The financial Position effect of the budget is that the municipal assets is envisaged to increase to R553.9 million and an increase of R49 million in non- current liabilities as a result of the planned borrowings for the office block, Testing station and heavy duty equipment.
- Repairs and Maintenance are budgeted at 2.5 per cent average over the MTREF of the budgeted Property Plant and Equipment. This is below the benchmark of 8 per cent as per National Treasury recommendation. This indicates that Municipal Assets are not preserved and this might result in slow service delivery due to unmaintained asset break downs. Management need to review all the repairs and maintenance of the municipality.

## **Part 3 – Annual Budget Tariffs**

### **2.2.1 Tariff Policies**

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

All the above policies will be available on the Municipality's website, as well as the following budget related policies:

- Property Rates Policy;
- Property Rates By-Law;
- Borrowing Policy; and
- Indigent Policy

**UMVOTI MUNICIPALITY****TARRIF OF CHARGES****1. Community Services (Subject to VAT)****1.1 REFUSE REMOVAL SERVICES**

	<b>2014/2015 Tariffs</b>	<b>2015/16 Tariffs</b>
(1) Residential, churches & welfare organizations - Once a week services for not more than two receptacles, Per consumer, per month . Greytown per bin Kranskop per b	R 100	R 110
(2) All other institutions and business - for the first bin, maximum four times weekly, per month, Should there not be an electricity account a deposit of R1000.00 would be required to prepay for collection.	R 273	R 301
(3) Rental for 240 litre bin	R 35	R 38
(4) 4 cubic meter container	R 1 420	R 1 562
(5) rental of containers	R 319	R 350
(6) Each additional bin (number as assessed by C.H.S.) Per month	R 153	R 168
(7) Loose refuse, i.e. not in bags or approved receptacle, per removal, to be paid in advance unless authorized by the Municipal Manager	R 933	R 1 027
(8) (a) Purchase of refuse bags, per each	R 15	R 16
(b) purchase of refuse bags, per pack of 25	R 370	R 407
(6) All gardens and other types of refuse - per load or part thereof to be paid in advance unless authorized by the Municipality Manager	R 370	R 407
(7) Dumping at refuse transfer station		
(a) 1 ton truck or part thereof	R 695	R 764
(b) 3 to truck	R 2 095	R 2 305
(c) Tractor / trailer	R 2 810	R 3 091

**1.2 REMOVAL OF CARCASSES**

1. Cats and Dogs	R 96	R 105
2. Sheep, pigs and goats, each	R 1 361	R 1 497
3. Cattle, horses and mules, each	R 368	R 405

**1.3 VACUUM TANKER REMOVALS**

Each tank load or part thereof	R 648	R 713
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**1.4 SUNDRY HEALTH SERVICES**

1.5 (1) (a) for cutting down and removing Overgrowth vegetation, for the first 2 024 sq. meters or part thereof, payable in advance	R 1 405	R 1 546
(b) for each additional 2 024 sq. meters or part thereof, payable in advance	R 690	R 759
(c) if cleared in default - for each 2 024 sq. meters or part thereof, an additional	R 760	R 836
2. Removal of scrap vehicles, each	Cost + 10%	
3. (a) hire of portable toilets, per each, per day or part thereof	R 116	R 128
(b) Charitable organization and sporting bodies per each, per day or thereof	R 43	R 47
(c) Hire of portable toilets (flush type), per each, per day or thereof	R 376	R 414



**ELECTRICITY TARIFF (SUBJECT TO AN EXCLUSIVE OF VAT)(2014 - 2015 YEAR)**

2014/2015 Tariffs	2015/16 Tariffs
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1. The following charges shall be payable to the Council for the supply of electricity even in the event of temporarily disconnected from the supply: (FOR THE 2014 - 2015) FINANCIAL YEAR

**(a) Domestic consumers (including sporting bodies, churches, schools and charitable organizations) must elect one of the following tariff options.**

**TARIFF OPTION 1**

- (i) A monthly basic charge per amp per month.
- (ii) An energy charge per kilowatt hour.
- (iii) An energy charge per kilowatt hour (INDIGENT) tariff code 579 (conv. Meter)

R 4	R 5
R 1	R 1
R 1	R 1

**TARIFF OPTION 2**

- (i) An energy charge per kilowatt hour with no monthly basic charge.

R 2	R 2
-----	-----

**PERPAID METERING**

- (i) An energy charge per kilowatt hour for -(INDIGENT)
- (ii) An energy charge per kilowatt hour for -(OTHER)

R 9	R 10
R 1	R 2

**(b) Large power users (applicable to consumers with an installed capacity of in excess of 65 KVA)**

- (i) A KVA maximum demand charge per month measured over any consecutive thirty minutes during the month.
- (ii) A monthly basic charge per month.
- (iii) An energy charge per kilowatt hour.

R 170	R 187
R 1 266	R 1 393
R 1	R 1

**(c) Commercial Consumers/Other**

- (i) A monthly basic charge per amp per phase calculated on the sum total of the tripping current.
- (ii) An energy charge per kilowatt hour.

R 5	R 6
R 1	R 2

**(d) Availability charge on registered lots with or without improvements which are not connected to the Council's electricity supply and where such properties are situated within 200 meters of a municipal power line and which can reasonably be connected thereto:**

- I. On lots proclaimed for residential use, Per lot, per month
- II. On lot proclaimed for commercial or industrial Use per lot, per month

R 90	R 99
R 175	R 193

**(e) Sport Fields**

Applicable to all sport fields per Kwh

R 1	R 2
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**(f) Non-metered consumers (Display Signs)**

Applicable to non-metered consumers:

Fees for each 200W or fitting or part thereof, per Month

R 99	R 109
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**(g) Street Lights**

Applicable to street lights per Kwh.

R 1	R 2
-----	-----

**(i) REBATE/SURCHARGE**

Not with standing the foregoing, Council may from time to time determine a rebate/surcharge in respect of unit charges up to a maximum of 20%

**2.2 CONNECTION FEES**

All connection fees prescribed below shall be payable in advance; provided however; that where no fixed fee is actually prescribed and the fee estimated exceeds the actual costs as calculated after the work has been completed, the applicant shall be refunded the difference and conversely, the council shall be reimbursed where it is established that the cost calculated exceeds the fee actually charged.

	2014/2015 Tariffs	2015/16 Tariffs
(1) Consumers requiring a single - phase connection Not exceeding 100 Amp residential, up to the Property boundary	Cost + 10%	Cost + 10%
(2) Consumers requiring a three-phase connection Not exceeding 100 Amp per phase: residential, up to the property boundary	Cost + 10%	Cost + 10%
(3) Business consumers requiring a connection	Cost + 10%	Cost + 10%
(4) Consumers with a load exceeding 100 amp three phase	Cost + 10%	Cost + 10%
(5) All temporary consumers will be required to pay for all For the supply and installation of the equipment Necessary for making the connection.	Cost + 10%	Cost + 10%

**2.3 SUNDRY FEES****(1) Reconnections:**

After a consumer has requested that the Installation be disconnected	R 92	R 101
(a) After Installation is disconnected for non payment of account or non-compliance with bylaws	R 293	R 323

**(2) Tampering Fees**

(a) First Tamper R 2500.00 Plus back charges on electricity consumed	R 2 750	R 3 025
(b) Second Tamper R 5000.00 plus back charges on electricity consumed	R 5 500	R 6 050
(c) Third Tamper - Hard disconnection, R 7000.00 plus back charges on electricity consumed and on request of a re-connection	R 7 500	R 8 250
- All arrears on service account must be paid in full		
- Full cost of new service connection must be paid by consumer.		

**(3) Restoration of supply after failure due to faults on Consumers installation.**

(a) Normal working hours	R 370	R 407
(b) Outside normal working hours	R 765	R 842

**(4) Testing of meters**

Testing of meters' In accordance with bylaw 10(3)	R 610	R 671
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**(5) Changing of MCB:**

(a) Scale A: (Changing single-phase MCB to lower rating at request of consumer)	R 355	R 391
(b) Scale B; (Changing three-phase MCB to lower rating at request of consumer)	R 772	R 849

**(6) Checking of meter reading in accordance with bylaw 9(3)**

R 207	R 228
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**(7) Serving of notice in accordance with bylaw 40(1)**

R 62	R 68
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**ALL ELECTRICITY CONVENTIONAL CHARGES COMES INTO EFFECT FROM THE AUGUST BILLING RUN.**  
**ALL ELECTRICITY PRE PAID CHARGES COMES INTO EFFECT FROM THE 1 ST JULY.**

	2014/2015 Tariffs	2015/16 Tariffs
<b>3.1 CEMETRY: KRANSKOP</b>		
(1) Exhumation fee	R 568	R 625
(2) Burial Fee	R 265	R 292
(3) Additional Charge for burial held after normal working hours including Weekends and public holidays	R 58	R 63
(4) Fee for the reservation of burial plots for a period over 50 years	R 570	R 627
(5) Permit to erect a memorial on grave site	R 132	R 146
(6) Indigent who qualifies in terms of council's indigent Policy and active staff members	R 80	R 88
<b>3.2 CEMETRY: GREYOWN</b>		
(1) Exhumation fee	R 1 590	R 1 749
(2) (a) burial fee (residents)	R 800	R 880
(b) burial fee (non-residents)	R 1 590	R 1 749
(3) Additional charge for burial held after normal working hours including weekends and public holidays provided that this additional charge may be waived at the discretion of the Council.	R 295	R 325
(4) Where the size of the grave exceeds 2,2 meters in length and 1,05 meters in width, an additional amount payable shall be	R 247	R 272
(5) Burial of ashes in plot or Wall Remembrance	R 172	R 189
(6) Fee for reservation of grave ploy for a period of ten years	R 1 595	R 1 755
(7) Reservation of niche in Wall of Remembrance for a period of 10 years	R 169	R 186
(8) Permit to erect a memorial on a grave site or plaque on Wall Remembrance	R 169	R 186
(9) Indigent who qualifies in terms of council's indigent policy	R 80	R 88
(10) Burial of active staff members	R 80	R 88
<b>4. KEEPING OF ANIMALS AND BIRDS</b>		
<b>4.1 POUND</b>		
(1) Impounding fee for domestic animals, per animal	R 97	R 106
(2) Veterinary costs, kennel fees (if incurred)	cost plus 10%	cost plus 10%
<b>4.2 MISCELLANEOUS CHARGES</b>		
(2) Water samples for analysis	R 241	R 265
(3) Milk samples for analysis	R 362	R 398
<b>5. LIBRARY</b>		
(1) Tariffs as contained in bylaw 5(2) Chapter XV11 of the Standard Bylaws published under Provincial Notice 87 on 10 March 1953, as amended from time to time:		
(2) Membership Fee		
(a) Adults, per annum.	R 127	R 140
(b) Children under 14 years, per annum	R 42	R 46
(c) Family, per annum	R 148	R 163
(3) Group Activities Room:		
(a) Morning session 08:00 - 12:00		
(b) Afternoon session 12:00 - 17:00		
(c) Evening session 17:00 - 24:00		
For the use of the Group Activities room by persons or Organizations:		
(i) Other than those referred to in section		
Of the Public Library Bylaws, per session or part thereof	R 90	R 99
(ii) For personal gain, per session or part thereof	R 158	R 174
(iii) A penalty for late return of library material	R 1.0 per day or part thereof	
(4) Internet fee 15 min		
30 min		
1 hour		
(5) Deposit		

**6. MUSEUM**

Entry fee:

Nil

Nil

**7. GENERAL****7.1 HIRE OF TOWN HALL AND OTHER ROOMS****2014/2015  
Tariffs****2015/16  
Tariffs**

The charges for the use of the Town Hall and Supper Room Shall be payable by the Financial Management at the times of making reservation. The prescribed fees shall apply in respect of each session and for the purpose of these tariffs, a day shall be deemed to be divided in three sessions, namely:

Morning session: 08:00 - 12:00

Afternoon session: 12:00 - 17:00

Evening session: 17:00 - 24:00 but to 03:00 the following day in the case of dances.

**(1) TOWN HALL**

(a) Dances, Cabarets, Discos, Plays, Concerts, Cinema Shows,  
Fashion Shows, and The Like

(08:00 to 24:00 on the day of the function and up to 10:00  
on the day after for cleaning)

(i) professional (conducted for personal gain)

R 1 356

R 1 492

(ii) local societies/organizations (conducted in aid of any charitable, sporting, cultural,  
religious or social organizations established within the Municipality  
and schools

R 500

R 550

(iii) Other

R 525

R 578

(iv) preparation/rehearsals:

1. Evening Session

R 340

R 374

2. Daytime session

R 190

R 209

(b) Weddings, Wedding Receptions, Parties and

The Like: (08:00 to 24:00 on the day of the function and up to 10:00 on the  
day after, for cleaning)

R 1 130

R 1 243

(i) Preparation:

1. Evening

R 225

R 248

2. Daytime session

R 190

R 209

(c) Meetings, Talks, Lectures, Conferences and The Like:

(i) professional (conducted for personal gain):

1. Evening session per session

R 565

R 622

2. Daytime session per session

R 395

R 435

Local societies/organizations &amp; schools:

1. Evening session

R 282

R 310

2. Daytime session

R 224

R 246

(ii) Political

1. Evening session

R 904

R 994

2. Daytime session

R 622

R 684

(iv) Other:

1. Evening session

R 395

R 435

2. Daytime session

R 340

R 374

(v) preparation:

1. Evening session

R 174

R 191

2. Daytime session

R 167

R 184

(d) Religious and Cultural Services, and Funerals:

1. Evening session

R 395

R 435

2. Daytime session

R 224

R 246

(e) Bazaars, Fetes, Exhibitions, Arts, &amp; Crafts and The Like

(i) not for personal gain:

1. Evening session

R 340

R 374

2. Daytime session

R 294

R 323

(ii) preparation:

1. Evening session

R 204

R 224

2. Daytime session

R 186

R 205

(f) Display of Traveler's Samples, Auctions, Commercial and Industrial Sales, Exhibitions and The Like:

(i) for personal gain:

1. Evening session

R 2 035

R 2 239

2. Daytime session

R 1 695

R 1 865

(g) Municipal, Provincial, State or Other Purpose of

A Public Nature approved by The Municipal Manager:

(i) Each session

(h) For any other purpose not specified above:

(i) per session

R 565

R 622

(i) Hire of Furniture, Equipment and Appliances (Per Session)

(i) Stove (Do not charge)

(ii) Bain Marie.

(iii) Tables, per unit

(j) Deposits:

(i) Hall hire.

(ii) minimum deposit live shows

(i.e. discos, dances, beauty, contests etc.)

(k) Discount:

A 30% discount shall apply to all tariffs from

Mondays to Thursdays with the exception of the following:

(i) on public holidays

(ii) political meetings

(iii) commercial functions

(iv) preparation/rehearsals

(v) equipment, appliances, furniture

Notwithstanding the charges set out in the outgoing tariffs, the Council shall have the right to hire the hall and/or rooms. Furniture, equipment, and appliances for a specific term and purpose at special rates as may be agreed upon.

## (2) SUPPER ROOM

The charge shall be one half of the appropriate Town Hall hire charge.

2014/2015	2015/16
Tariffs	Tariffs
R 2 640	R 2 904
R 8 000	R 8 800

**(3) ENHLALAKAHLE HALLS**

(a) Dances, Cabaret, Discos, Plays, Concerts, Cinema Shows, Fashion Shows, and The Like

(08:00 to 24:00 on the day of the function and up to 10:00 on the day after for cleaning)

(i) professional (conducted for personal gain)	R 1 130	R 1 243
(ii) Local societies/organizations (conducted in aid of any charitable, sporting, cultural, religious or social Organizations established within the Municipality) and school	R 452	R 497
(iii) other	R 565	R 622
(iv) preparation/rehearsals:		
1. evening session	R 226	R 249
2. daytime session	R 160	R 176

(b) Weddings:- Wedding Receptions, Parties and The Like:

(08:00 to 24:00 on the day of the function and up to 10:00 on the day after, for cleaning)

(i) Preparation	R 1 020	R 1 122
1. evening session	R 226	R 249
2. Daytime session	R 170	R 187

(c) Meetings, Talks, Lectures, Conferences and The Like:

(i) professional (conducted for personal gain):

1. evening session	R 282	R 310
2. Daytime session	R 260	R 286

(ii) Local societies/organizations & schools

1. evening session	R 226	R 249
2. daytime session	R 205	R 226

(iii) political:

1. evening session	R 680	R 748
2. daytime session	R 508	R 559

(iv) other:

1. evening session	R 282	R 310
2. daytime session	R 260	R 286

(v) preparation:

1. evening session	R 226	R 249
2. daytime session	R 205	R 226

(d) Religious and Cultural Services, and Funerals:

1. evening session	R 226	R 249
2. daytime session	R 205	R 226

(e) Bazaars, Fetes, Exhibitions, Arts & Crafts and The Like:

(i) not for personal gain:

1. evening session	R 215	R 237
2. Daytime session	R 195	R 215

(ii) preparation:

1. evening session	R 150	R 165
2. Daytime session	R 130	R 143

(f) Display of Traveler's Samples, Auctions, commercial and Industrial Sales, Exhibitions and The Like:

(i) for personal gain:

1. evening session	R 1 245	R 1 370
2. daytime session	R 1 080	R 1 188

(g) Municipal, provincial, State or Other Purpose of a Public Nature approved by The Municipal Manager:		2014/2015 Tariffs	2015/16 Tariffs
(i) each session			
(h) For any other Purpose not specified above:			
(i) hall hire		R 1 695	R 1 865
(ii) deposit live shows		R 7 350	R 8 085
(i.e. discos, dances, beauty contests etc.)			
Discount:			
A 30% discount shall apply to all tariffs from			
Mondays to Thursdays with the exception of the following:			
(i) on public holidays			
(ii) political meetings			
(iii) commercial functions			
(iv) preparation/rehearsals			
(v) equipment, appliances, furniture			
Notwithstanding the charges set out in the foregoing tariffs, the Council shall have the right to hire the hall and rooms, furniture, equipment and appliances for a specific term and purpose at special rates as may be agreed upon.			
Kranskop Halls and Public Facilities			
<b>(4) KRANSKOP: HALL</b>		2014/2015 Tariffs	2015/16 Tariffs
(a) the charges for the use for the Town Hall and Supper room shall be payable by the hirer to the Secretary at the time of making reservation.			
The prescribed fees shall apply in respect of each session and for the purpose of these tariffs a day shall be deemed to be divided in three sessions, namely:			
The morning session: 08h00 - 12h00			
The afternoon session: 13h00 - 17h00			
The evening sessions: 18h00 - 24h00 but to 03h00 the following day in the case of dances.			
<b>(b) HIRE</b>			
		Morning Session	Evening Session
(i) Bazaars, exhibitions and flower shows		R 110.00	R 130
(PROPOSED)		R 117.70	R 139
(ii) Dances, balls and cabarets		R 800.00	
(PROPOSED)		R 856.00	
(iii) Professional entertainment		R 700.00	R 910
(i.e. conduct for personal gain)		R 749.00	R 973
(PROPOSED)			
(iv) Amateur shows		R 296.50	R 387
(PROPOSED)		R 296.50	R 387
Fees includes one full rehearsal during an equivalent session			
(v) Wedding receptions (including use of Town Hall on the day before hire for preparation and up to 10h00 on day after hire for cleaning up)			R 1 080
(vi) Public meeting or lectures			R 320
(vii) Churches			R 352
A reduction of 50% of the appropriate hire charge shall be granted to local churches in respect of church functions.			
(viii) Charitable organizations			
On production of a financial statement relating to the function the Secretary may grant a discount not exceeding 50%			
(ix) Notwithstanding the charge set forth in the foregoing tariffs, the Secretary shall have the right to hire the hall and/or rooms for a specific term and purpose at special rates as may be agreed upon.			
(x) Sport Bodies (per Session)		R 105	R 116
(xi) Funerals		R 205	R 226

**(c) DEPOSITS**

(i) Refundable deposit for hall hires	R 1 350	R 1 485
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**8. LAKHI'S SPORTFIELD AND KING EDWARD PARK**

**(a) Hire:**

	<b>2014/2015 Tariffs</b>	<b>2015/16 Tariffs</b>
(1) Hiring of stand by circuses, fairs and the like, (exclusive of charge for sanitation, water and electricity), per day	R 1 350	R 1 485
(2) Hire of playing fields by schools, welfare organizations, sporting and religious bodies. per day	R 295	R 325
(3) Hire for playing field where entrance fees are charges, per day	R 1 080	R 1 188
(4) Hire or playing field for practice purposes by schools, welfare organizations, sports bodies, for portion of a day		
	Per month	Per month
(5) Hire by schools other than Greytown and Enhlalakahle		
(a) Deposit:		
(1) Refundable deposit for hire	R 1 005	R 1 106
(2) Refundable deposit for hire by fairs	R 1 650	R 1 815
(b) Deposit:		
(1) Refundable deposit for hire	R 2 200	R 2 420

**9. DEPARTMEN: DEVELOPMENT PLANNING**

In May 2010 the new Town Planning legislation (PDA) came into effect repealing the Natal Planning Ordinance of 1949. To provide for the adoption, replacement of schemes, and to provide for compensation in respect of matters regulated by the Kwazulu Natal Development Act of 2008 the following tariffs are recommended. In order for the municipality to be able to assess and approve any proposed development, tariffs must be in place.

**A SPECIAL CONSENT (Non-refundable)**

1. A fee payable for ALL special Consent Application with an exception of Bed and Breakfast, Guest House or Lodges.	R 440 R 540	R 484 R 594
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**Note:**

- All advertisement costs to be borne by the applicant.
- In the event that ownership changes hands, a full special consent fee is payable.
- Material changes to the application warrants fee 10% of the original tariff.



**B REZONING (Non-refundable)**

1. The fee payable if the property is less than 5000m2.	R 900.00	R 990
2. The fee payable if the property is 1.1ha - 3ha.	R 1000.00	R 1 100
3. The fee payable if the property is 3.1ha - 6ha.	R 1100.00	R 1 210
4. The fee payable if the property is 6ha - 9ha.	R 1650.00	R 1 815
5. The fee payable if the property is 9ha and above.	R 2 180.00	R 2 398

**Note:**

- All advertisement costs to be borne by the applicant.
- Material changes to the application warrants fee 10% of the original tariff.

**C SUBDIVISION (Non-refundable)**

1. The fee for subdivision into two properties jointly and less than 1ha.	R 3250.00	R 3 575
2. The fee for subdivision into 3 properties jointly and less than 1ha.	R 3760.00	R 4 136
3. The fee for subdivision into 4 properties jointly and less than 1ha.	R 4300.00	R 4 730
4. The fee for subdivision into 2 properties above 1ha.	R 4830.00	R 5 313
5. The fee for subdivision into 3 properties above 1ha.	R 5370.00	R 5 907
6. The fee for subdivision into 4 properties above 1ha but less than 10ha.	R 5900.00	R 6 490
7. The fee for subdivision above 10ha - 30ha.	R 6450.00	R 7 095
8. The fee for subdivision 31ha and above.	R 6990.00	R 7 689

**Note:**

- All advertisement costs to be borne by the applicant.
- Where a piece of land is transferred to Council, the fee per sub shall be waived.
- A tariff shall be payable for the issue of certificates.
- Material changes to the application warrants fee 10% of the original tariff.

R 165 R 182

**D RELAXATION (Non-refundable)**

Relaxation of all building lines, side spaces, height (only where applicable in terms of the Scheme)

1. Sites 300m2 or smaller with letters of consent	R 290	R 319
2. Sites larger than 300m2 with of consent	R 350	R 385
3. Residential sites without letter of consent	R 450	R 495
4. Non Residential sites without letters of consent (Special consent process applicable)	R 1 050	R 1 155

**Note:**

- In the event that objections are received, a full special consent application is required.

**E CONSOLIDATION OF PROPERTIES (Non-refundable)**

1. The fee for consolidation of properties if less than 1ha.	R 1 090	R 1 199
2. The fee for consolidation of properties if 1ha and above.	R 1 650	R 1 815

**Note:**

- All advertisement costs to be borne by the applicant.
- Material changes to the application warrants fee 10% of the original tariff.

**F PERMANENT ADVERTISING SIGNS (Non-refundable)**

	2014/2015 Tariffs	2015/16 Tariffs
1. The fee for an illuminated mini billboard also subject to agreement.	R 565	R 622
2. The fee for an illuminated giant billboard also subject to agreement.	R 850	R 935
3. The fee for, LED Screen also subject to agreement.	R 1 130	R 1 243

**Note:**

- All advertisement costs to be borne by the applicant.
- Material changes to the application warrants fee 10% of the original tariff.

**G INTERGRANTED APPLICATION (Non-refundable)**

The fixed amount if an application is for integration for township establishment.  
(consolidation rezoning and subdivision).

R 5 670	R 6 237
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**Note:**

- All advertisement costs to be borne by the applicant.
- Material changes to the application warrants fee 10% of the original tariff.

**H BUSINESS LICENCE (Non-refundable)**

1. The fee per application for a business	R 240	R 264
2. The fee per year for informal traders.	R 30	R 33

**I ZONING CERTIFICATES**

Basic Fee	R 50	R 55
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**J ENFORCEMENT**

Confirmation of Contravention on site	R 214	R 235
Continued operation per day until matters in Court	R 380	R 418

**K APPEALS**

Where an appeals to the Municipality Manager in terms of Section 62(1) of the Municipal Systems Act, 32 of 2000, as amended is lodged against a planning decision, the tariff is payable to the Council.

R 550	R 605
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**L GIS PLANS**

PAPER SIZE	MEDIA	BLACK AND WHITE	FUL COLOUR			
A4	Paper	R10.00	R15.00		R 17	R 19
A3	Paper	R20.00	R25.00		R 28	R 31
A2	Paper	R35.00	R40.00		R 42	R 46
A1	Paper	R40.00	R55.00		R 60	R 66
A0	Paper	R60.00	R110.00		R 112	R 123

**10. BUILDING****10.1 BUILDING PLAN FEES**

(1) (a) for the first 10 sq.m of the aggregate floor area of the intended work	R 565	R 622
(b) for each 10 sq. m or part thereof an excess of 10 sq. meters	R 55	R 61
(2) Re-submitted plans, 10% of the original plan fee subject to a minimum of	R 375	R 413
(3) Swimming Pools	R 260	R 286
(4) Concrete and security fences	R 260	R 286
(5) Preliminary plans:		
(a) Where the estimated value of the project does not exceeds R100.000	R 340	R 374
(b) Where the estimated value of the project exceeds R100.000 but does not exceed R250.000	R 1 130	R 1 243
(c) Where the estimated value of the project exceeds R250.000	R 1 585	R 1 744
(6) Plans for structural alterations to a building where the floor area is not increased:		
A fee of 0,2% of the total cost of the alteration with a minimum fee of:	R 675	R 743

**MISCELLANEOUS CHARGES**

	<b>2014/2015 Tariffs</b>	<b>2015/16 Tariffs</b>
(1) Advertisements and signs encroaching on municipal property:		
Application fee for permission to erect or display any advertisement or sign, per application	R 305	R 336
(2) Building operations:		
(a) Inspection fee payable when the Inspector is called out for an inspection and it is found by such Inspector that the works are not ready for inspection, per inspection	R 565	R 622
(b) The Council may require any builder to deposit an amount of not more than R3000.00 to cover the cost of repairing any damage to Council property by building operations.		
(c) Proviso: Failure to notify the Building Control Officer of completion of works within 14 (fourteen) days, and occupying same without an Occupational Certificate, will result in the forfeiting of the deposit		

	2014/2015	2015/16
<b>11. LAKE MERTHLEY AND SURROUNDING AREAS (Subject to and exclusive of VAT)</b>	<b>Tariffs</b>	<b>Tariffs</b>
(1) Hire of Club House (per day or part thereof):	R 1 050	R 1 155
Deposit for Club House	R 1 585	R 1 744
(2) Hire of bungalows (per day or part thereof)		
(a) Small bungalow (maximum 4 persons)		
(i) May to August	R 138	R 152
(ii) September to April	R 170	R 187
(b) Large bungalow (maximum 4 persons)		
(i) May to August	R 180	R 198
(ii) September to April	R 380	R 418
(3) Hire of sites (per day or part thereof)		
(a) within demarcated area (maximum 6 persons)		
(i) May to August	R 148	R 163
(ii) September to April	R 210	R 231
(b) Per additional person (maximum 4 persons)	R 74	R 81
(4) The following discounts for the period indicated shall apply as follows:		
(a) the hire of bungalows and sites		
(i) bookings for 10 -21 consecutive days	10%	
(ii) Bookings in excess of 21 consecutive days	15%	
(b) the hire of sites		
(i) Bookings in excess of ten sites	10%	
Use of lake for fund raising functions fees collected will Be on a 60% to council and 40% to organizing body split		
(5) Daily visitors, per day or part thereof:		
(i) Per person November to April	R 13	R 14
(ii) May to October	R 13	R 14
(iii) per trailer and boat November to April	R 115	R 127
(6) Permits (November to April):		
(i) per person (including boat & trailer)	R 230	R 253
(ii) per Family (maximum 6 persons, including boat and trailer)	R 360	R 396
(7) Use of electricity power point:		
(i) per day, or part thereof	R 30	R 33
<b>12. MISCELLANEOUS CHARGES</b>		
<b>12.1 Sale of Drums:</b>		
(a) Oil and tar drums	R 55	R 61

**12.3 MOTOR VEHICLES AND ROAD TRAFFIC**

	2014/2015 Tariffs	2015/16 Tariffs
(1) Fees for the issues or renewal of a permit to use a public vehicles stand:		
(a) public buses per annum for each bus payable per month at the rate of.		
(b) for each bus in excess of two in the same ownership, per annum payable per month at the rate of	R 295	R 325
(c) taxis per annum payable per month at the rate of.	R 22	R 24
	R 227	R 250
	R 23	R 25
(2) Service of traffic officers or other officials:		
For escorting of abnormal load vehicles through Greytown per vehicles per hour or part thereof (including waiting time)		
(a) between 07:00 and 17:00	R 475	R 523
(b) between 17:00 and 07:00	R 685	R 754
(3) Abandoned vehicles:		
(a) towing of abandoned vehicle or vehicles causing obstruction.	Cost plus 10%	Cost + 10%
(b) storage per day	R 105	R 116

**12.4 MISCELLANEOUS**

(1) Notice of appeal in terms of legislation	R 113	R 124
(2) Valuation Roll, per copy	Cost + 10%	Cost + 10%
(3) Valuation Certificate - for each certificate given by the Municipality Manager reflecting the ratable value of immovable property appearing on the Valuation Roll	R 34	R 37
(4) Any Certificate and/or permit in terms of legislation	R 34	R 37
(5) Voters Roll, per copy.		
(6) Search fee per plan, document or file (excluding the Councils minutes, the current Valuation Roll and the current Voter's Roll and the current Voter's Roll) produced for inspection. or for every address, name or owner or valuation provided	R 66	R 72
(7) For copies of any bylaw, per folio -	R 2	R 3
(8) Certified copy of extract of minutes, per folio	R 17	R 19
(9) Photostat Copies	R 2	R 2
(a) Documents, etc., per folio		
Library materials, per folio:		
(i) A4	R 1	R 1
(ii) A3	R 1	R 1
(10) Tariff miscellaneous work and services any work or service not specially otherwise provided for in the foregoing tariff of charges and which council is lawfully authorized to do or render on behalf of third parties shall be charged at	Cost + 10%	Cost + 10%
(11) Upon compliance with municipal requirements in regard to the display and removal of election posters: (maximum of 300 posters)		
(a) deposit payable by political parties prior to an election	R 1 700	R 1 870
(b) deposit payable by either persons prior to the display of posters	R 510	R 561
(12) Hiring of stand by circuses, fairs and the like. (exclusive of charges for sanitation, water and electricity), per day	R 1 130	R 1 243
(13) Copy of consolidated tariff of charges	R 56	R 62
(14) Penalty payable when a negotiable instrument which has been tendered in payment is dishonored upon presentation for payment	R 285	R 314
(15) Issue of Rates Statement	R 170	R 187
(16) Issue of Rates Clearance Certificate	R 40	R 44
(17) Purchase of bio-hazardous waste containers	Cost + 10%	

**12.5 ADDITIONAL TARIFFS****HOSTEL**

(per bed space per month)

R 80

R 88

( Should 70% of bed space not be paid, electricity will be disconnected without prior notice)

**13. FIRE SERVICES****2014/2015****2015/16**

13.1 Inspection of spray booth and issuing of spray permit as well as inspection of storage, handling and use of hazardous substance

**Tariffs****Tariffs**

R 540

R 594

13.2 Releasing of incident information as contemplated in section 2 of the Fire Protection Services By-Laws

R 93

R 102

13.3 Cost per Office, per hour, or part thereof at events for standby and inspection

R 320

R 352

13.4 Fireworks display discharge application

R 320

R 352

13.5 General Fire Safety compliance letter/inspection request

R 210

R 231

13.6 Emergency/evacuation plans

R 530

R 583

13.7 Emergency/assistance recorded at emergency, evacuation drills (per Official, per hour or part thereof)

R 210

R 231

13.8 Call out charges per hour, per portion thereof for manpower, vehicles, equipment, materials, water and travelling.

R 210

R 231

13.9(a) Indigent

(b) Uninsured property/ vehicle

(c) Insured property/vehicle

R 530

R 583

(d) Purpose concert or gathering in order to ensure compliance with requirements prior to gathering approval for function to take place or for attendance of a fire fighter for Protection duty

R 530

R 583

(e) Fire protection and or any other associated duty or duties at a place used for any public purpose

R 530

R 583

13.10) Fire Prevention Charges: Submission of plans for

a) LPG Distribution not exceeding 500l

R 640

R 704

b) LPG Storage Sites not exceeding 500l

R 840

R 924

c) LPG Storage sites exceeding 500l

R 1 800

R 1 980

d) Spray Rooms

R 1 270

R 1 397

13.11) Issuing of Fire Prevention Documents:

a) Issuing a report on the condition of a premise following an inspection

R 560

R 616

b) Issuing of certificate of compliance fireworks and explosive charges

R 840

R 924

c) Application for storage of fireworks less than 500g

R 560

R 616

d) Application for storage of fireworks more than 500g

R 1 120

R 1 232

e) Issuing of a certificate for the storage of fireworks or explosives less than 500g

R 675

R 743

13.12) Miscellaneous Charges:

a) Application to perform controlled fire burn within the municipal Boundaries Non-agricultural

R 840

R 924

b) Application for written report pertaining to any emergency incident attended to by department personnel

R 210

R 231

In assessing the charges rendered in terms of the above, the period shall be calculated from the time of departure from the fire section up to the time of return to the fire section.

Due to allowance being made for:

Breakdown or mishap on the route excluding traffic congestion, time occupied by relief personnel in transit: provided that where the fireman or application concerned does not for any reason unconnected with the service return directly to the fire station. The period of assisting the charge shall be calculated up to the time of departure from the site of the service and 15 minutes shall be added.

### 2.3 Municipal manager's quality certificate

I Bongani Alfred Xulu, municipal manager of Umvoti, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name Bongani Alfred Xulu

Municipal manager of Umvoti Municipality

Signature



Date

28 May 2015

# UMVOTI MUNICIPAL COUNCIL

## CERTIFICATE OF ACTS OF COUNCIL

EXTRACT FROM THE MINUTES OF THE STATUTORY MEETING HELD ON **THURSDAY 28<sup>TH</sup> MAY 2015, 10H00** AT WHICH THE FOLLOWING WERE PRESENT:-

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### MEMBERS (22)

Cllr	MS	Yengwa	(Speaker)
Cllr	TC	Ngubane	(Mayor)
Cllr	ES	Shange	(Deputy Mayor)
Ald	PMS	Ngubane	(EXCO Member)
Cllr	KL	Chonco	
Cllr	BG	Dladla	
Cllr	MR	Dlamini	
Cllr	NSV	Machaba	
Cllr	NG	Masikane	
Cllr	LO	Mdlalose	
Cllr	BE	Mlondo	
Cllr	EN	Mncube	
Cllr	ZC	Ngema	
Cllr	NK	Ngubane	
Cllr	IS	Nyoka	
Cllr	SA	Nzama	
Cllr	M	Pillay	
Cllr	ML	Shezi	
Ald	SV	Zondi	
Cllr	PT	Zuma	

<b>OFFICIALS:</b>	Mr	BA	Xulu	(Municipal Manager)
	Ms	Z	Ngcobo	(Acting Chief Financial Officer)
	Mr	ZM	Chonco	(Acting Director Corporate Services)
	Ms	PLC	Robson	(Manager Committee Administration)
	Mr	E	Mdlalose	(Manager Supply Chain Management)
	Mr	D	Muir	(Acting Director Community Services)

**MINISTERIAL REPRESENTATIVE:** Mr. MM Sithole

### APOLOGIES ACCEPTED:

Ald.	R	Maharaj
Mrs.	NV	Mbhele
Miss	S	Chonco



## **UMS 153 (24)**

### **2015/16 ANNUAL BUDGET**

#### **RESOLUTION**

1. With Councillor NSV Machaba and Councillor NG Masikane proposing and seconding respectively *it was resolved:*

That the Council of Umvoti Municipality, acting in terms of section 16 of the MFMA (act 56 of 2003) approves the 2015/16 Multi-year Medium Term Revenue and the 2016/17 and 2017/18 as set out in the budget report and the annual budget tables unpacked as follows:

- Budgeted Financial Performance (Budget Table A4 revenue and expenditure by source)
- Budgeted Capital Expenditure (Budget Table A5, capital expenditure by vote, function and source of funding)
- Budgeted Financial Position (Budget Table A6)
- Budgeted Cash Flows (Budget Table A7)
- Budgeted Asset Management (Budget Table A9)

2. With Councillor SA Nzama and Councillor BG Dladla proposing and seconding respectively *it was resolved:*

That the comments on the 2015/16 MTREF Budget from KZN Provincial Treasury be accepted;

3. With Councillor PT Zuma and Councillor KL Chonco proposing and seconding respectively *it was resolved:*

That the Operating Expenditure Budget be reviewed by the Acting Chief Financial Officer, to cut down on the non-essential (nice to have) expenditure items as a result of municipal operational deficit of R20.3 Million, R24.2 Million and R29.7 million for the 2015/16, 2016/17 and 2017/18 budget years respectively and report back to council on the next council meeting of the expenditure items curbed or decreased.

4. With Councillor SA Nzama and Councillor BE Mlondo proposing and seconding respectively *it was resolved:*

That the 2012/2017 Integrated Development Plan (IDP) be incorporated into the adopted 2015/16 MTREF budget

5. With Councillor SA Nzama and Councillor LO Mdlalose proposing and seconding respectively *it was resolved:*

That in terms of Section 2(3) of the Local Government: Municipal Property Rates Act, 6 per cent property rates levies be approved;

6. With Councillor NK Ngubane and Councillor NSV Machaba proposing and seconding respectively *it was resolved:*

That the municipal Property Rates policy and Property Rates By-Law be approved.

7. With Councillor NG Masikane and Councillor PT Zuma proposing and seconding respectively *it was resolved:*

That the amended Tariff of Charges as contained in part 3 of the annual budget document be approved;

8. With Councillor SA Nzama and Councillor IS Nyoka proposing and seconding respectively *it was resolved:*

That the Accounting Officer be tasked to prepare a roll over application of the unspent conditional grants rolled over in the 2015/16 budget received from Provincial Fiscus during the 2014/15 financial year, being R10 Million from Small Town Rehabilitation Grant and R10 Million Electricity Massification programme;

9. With Councillor BG Dladla and Councillor MR Dlamini proposing and seconding respectively *it was resolved:*

That the municipality be permitted to enter into a long term loan for the funding of Service Delivery Plant and Equipment and the construction of municipal buildings limited to R30 million with finance charges of R3 million (10 per cent interest per annum);

10. With Councillor SA Nzama and Councillor NG Ngubane proposing and seconding respectively *it was resolved:*

That the municipality be permitted to enter into a finance lease of motor vehicles, on condition that it has been proven that it will curb the high maintenance on motor vehicles and will decrease transport costs and that each department will be allowed maximum of two vehicles per department.

11. With Alderman PMS Ngubane and Alderman SV Zondi proposing and seconding respectively *it was resolved:*

That the Finance Department organogram be amended to include a two year fixed term contract of Manager Income and Expenditure to be funded from Finance Management Grant, as part of the grant conditions to support capacity and skills in the Finance Department.

12. With Councillor KL Chonco and Councillor BE Mlondo proposing and seconding respectively *it was resolved:*

That the Annual budget together with budget policies be submitted to National Treasury, Provincial Treasury, distributed to all municipal offices, be available on the municipal website and be advertised in the local newspaper.

**I CERTIFY THAT THE FOREGOING IS A TRUE EXTRACT FROM THE MINUTES OF THE STATUTORY MEETING HELD ON 28<sup>TH</sup> MAY 2015.**

  
**MR BA XULU**  
**MUNICIPAL MANAGER**

**UMVOTI MUNICIPALITY,  
GREYTOWN**

28/05/2015  
**DATE**

## **Certification that the adopted budget for 2015/16 is correctly captured and locked on the municipality's financial management system**

*(as requested by National Treasury in terms of section 74 of the MFMA, with reference to paragraph 8.3 of MFMA Budget Circular 67 dated 12 March 2012)*

I, Bongani Xulu, in my capacity as accounting officer of the municipality, hereby certify that:

- The adopted annual budget has been captured on the municipality's financial system;
- There is complete agreement between the budget on the system and the budget adopted by council;
- The adopted annual budget on the municipality's financial system is locked and will not be changed as it serves as the baseline against which to monitor and measure performance; and
- The relevant budget return forms have been submitted to the local government database.

I, further certify that the municipality has in place controls to ensure that any changes to the adopted budget will be captured separately and only in accordance with:

- a virement authorised by the municipal manager, or duly delegate official, in terms of a council approved virements policy; and
- an adjustments budget approved by council.

Print Name

Bongani Alfred Xulu

Municipal manager of

Umvoti Municipality  
(name and demarcation code of municipality)

Signature

pp [Signature]

Date

28/05/2015

This certificate must be submitted to National Treasury by close of business 15 July 2014 at the following email address: [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za)

Also send copies to the *Auditor General* and the relevant provincial treasury.